Internal memo prepared at request of Neon Board Ad hoc Committee on SNCC
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April 23, 2013

**South Norwalk Community Center: Issues, Notes and Available History**

PRECIPITATING ISSUE: NEON cited for failure to have written subcontracting agreement

The State of Connecticut, Department of Social Services, conducted a Community Services Block Grant (CSBG) and Human Services Infrastructure (HSI) Monitoring Review of Norwalk Economic Opportunity Now (NEON) on September 12, 2011. Brown Buckley Tucker, consultants, were hired by the Connecticut Department of Social Services to conduct the monitoring.

NEON was cited for failing to maintain a formal subcontract with the South Norwalk Community Center and one of its other subcontractors.

What follows is an excerpt from this report citing this important area of **Non-compliance**, and **Action Needed**.

*" It is the expectation of the State of Connecticut CSBG office that the agency will respond in writing with plans to address the compliance issues identified in this report…." .*

***Subcontract Services***

***Non-compliance:*** *The NEON contract with CT DSS Contract Part One: I. SUBCONTRACTED SERVICES mandates:*

> *Any subcontract shall contain terms that require the subcontractor to maintain books, records, documents, program and individual service records, and other evidence of its accounting and billing procedures and practices which sufficiently and properly reflect all direct and indirect costs; that these records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees of the State, or, where applicable, federal agencies; and that the subcontractor shall retain all such records concerning this contract for a period of 3 years after the completion and submission to the State of the Contractor's annual financial audit.*

***Compliance Issue 4.1****: It does not appear that NEON currently enters into written agreements with its subcontractors. The South Norwalk Community Center (SNCC), which operates in the same building as*

*NEON, was described as being part of NEON using the same policies and procedures, despite the fact that SNCC has a unique board.*

***Action Needed:***

- *NEON should develop a written agreement with SNCC, as well as with the Senior Services Coordinating Council where NEON acts as a pass through for funds. Such an agreement should comply with the requirements of the DSS contract as outlined above. This completed agreement should be sent to DSS by January 31, 2012.*
- *NEON should develop written policies and procedures on contracting with and monitoring of sub-contractors. This should include the contract monitoring process including the frequency of monitoring, tool to be used, how areas of non-compliance will be addressed, etc. Copies of these policies and procedures must be submitted to DSS by January 31, 2012.*

Puruant to these findings, and because the HHD Contract under which SNCC had been working was set to expire in September 2012, NEON began negotiating a subcontracting agreement with the Senior Services Coordinating Council, and approached the SNCC Board with that same intent.

**NEON's Executive Director and Chief Operating Officer (Pat Pheanious and Chiquita Stephenson) and Board Treasurer (Diedre Davis) met with the SNCC Board in July 2012.** The purpose of the meeting was to begin to define the relationship of NEON and SNCC, and to form a subcontracting agreement with them. NEON also raised concerns about how the building was not being adequately cleaned after events sponsored by SNCC, gas being left on and trash left in the yard. We raised the issues of fees collected by SNCC for building rentals which never found their way to NEON who was paying all operating expenses for the building. One of the Board members called Chiquita "a liar" regarding the condition of the building after their events. This individual was the same Board member (Warren's uncle) who was hired by SNCC to clean up after the events. The meeting cooled after this exchange. We indicated that we would provide pictures to illustrate our concerns. NEON indicated that we wanted to work cooperatively with the SNCC Board, but that we needed certain financial and programmatic information in order to carry out our responsibilities to the State. The meeting ended cordially with handshakes and embraces. See picture attached. (This is the same meeting where Warren subsequently claimed that we had intimidated his Board).

Not long after this Warren, began pushing the State to finalize the HHD contract. All the historical documents they had in reference to SNCC's relationship to NEON were compiled by Josie Castillo and supplied to me at Warren Pena's request.

SNCC provided multiple documents, mostly undated and unattributed. There were several news articles, faded land and deed documents and miscellaneous faded notes

from meetings held by City Government  again, not always attributed or dated).

I was able to glean from these materials a brief history of SNCC, and some of its early involvement with NEON.  When combined with documents available in our files certain facts, and the pattern of a struggling agency in an era of diminishing resources begins to emerge.

- SNCC is an agency that has largely existed by being cared for—originally by the Church and subsequently by small grants from the City (no longer funded) and a single contract from DSS (originally HRD or Hispanic Resource Development).
- Two previous SNCC homes (Elks Club and 41 South Main) both burned to the ground leaving the program "homeless".  The agency moved from one store front home to another until it joined with the City and others in the planning of our current shared facility.

- The agency historically provided services to the Latino population in South Norwalk.
- At one time, the HRD  grant may have been granted directly to  SNCC (as opposed to operating through NEON (but this is unclear in the record).

    - In the early 90's the agency  had many programs and at one time had as many as 15 staff.
    - In 1993 a news item in the Advocate indicated that the annual budget of the SNCC was $150,000 coming primarily from the State.  That year they lost two additional employees

- In l995 SNCC operated as though it was in full control of its funds, hiring and evaluating staff, making decisions about the use of space and rentals in the building.

- By 1998 NEON document indicated that there were 8 staff (Center Director, Asst Dir, Youth Director, Youth Coordinator, Secretary, Teacher/coord., Job Developer and Receptionist (total salaries $143,000).

- HRD (Human Resource Development) funding was ended by the State in FY 2003-2004.  That funding source was rolled into HSI (Human Services Infastructure).  HHD (Hispanic Human Development) was split from HRD and survives to this day in a NEON/State contract.
- At some point, (by 2004) NEON became the primary grantee, but apparently there was never a formal subcontract with SNCC.

    - By 2009 there were 4 staff.

    - At the beginning of 2012 there were two staff (both on Neon's payroll). At that time the apparently the only contract supporting SNCC was the HHD contract held by NEON.

- The total amount of the current HHD Contract is $104,527 which (includes $27,931 for serving the Latino population in Stamford).
- In 2012, HHD funds supplemented but did not fully fund the salary and fringe of SNCC's Executive Director and one part time Staff person. These individuals, were on NEON's payroll—although they reported to the **SNCC** Board. Additional NEON funds were added to both salarys (HSI grant) to fully cover the Director and youth assistant's salary.
    - As of March 2013 the center has no staff and no contracts/programs.
    - The HHD contract is between Neon and the State (DSS). SNCC is not named as a subcontractor. NEON will subcontract with other entities (International House) and continue to document service to the Latino client base.
- SNCC would like to take over the HHD contract—and has inquired about doing so. Unfortunately, it lacks the capacity to do so.
- In order for SNCC to assume the HHD Contract (according to the DSS Contracts unit) SNCC will need to present the following:
    - Total Agency Budget
    - Organizational Chart by Program
    - Certificate of Insurance
    - Commercial General Liability
    - Professional Liability, Workers' Compensation and Employer's liability
    - Proof of non profit status;
    - Documentation to demonstrate current annual filing with Secretary of State ,
    - Most recent IRS filing (SNCC hasn't filed since l980).

When Warren Pena joined the board in October, he was anxious to rebuild the SNCC—and made public representations to the community about wanting to operate separately from NEON. He apparently felt that NEON overshadowed his operation, and that NEON owed his organization a full level of support—although he acknowledged that SNCC has not been able to make any contribution to the cost of building upkeep.

**<u>What does Warren (and SNCC? Want??)</u>**

Quoting Mr. Pena in a 3/26/13 letter to his Attorney Comacho and NEON Attorney Mike Widlan Neon's Atty from Shipman and Goodwin):

> *"It is important to understand the intent of the operation from the very beginning through the documents provided, the reality of the operation today and what SNCC wants moving forward. Nothing more or less than what is rightfully theirs, at this point no relationship with NEON outside the co-ownership of the building. The SNCC feels that it has been abused by NEON and when you take a look at it, NEON has one a very good job in getting us down to 1.5 EEs, off as subcontractor on the HHD grant, no programming (because everything we had is operated or administered through NEON now), MPR rent of net 10k in 2012 and have taken ¾ of our space on the first floor. Therefore, not allowing us to rent*

*out our floor to other agencies to help pay operating costs of the building……So what is it that a 15-20M entity wants to know from an entity they have impoverished? That we have one line of revenue which is the MPR Multi-purpose) no budget, no programs and barely any money in the bank??*

There were emails back and forth between Warren, me and discussions with DSS. Warren was under the impression that he was entitled to the HHD funds, yet he did not want to or was unable to provide to us any information that would allow us to develop a subcontract.

I reached out to DSS to confirm that the current HHD contract was exclusively with NEON, and that we could subcontract with anyone who could comply with our requirements and provide the necessary services.

As time went on, Warren Pena became increasingly suspicious and testy. He urgently wanted to assert himself and resolve (meaning access more) space issues. I did not understand his urgency given that the documents he supplied did not lead to the conclusion that he was owed anything.

As Warren became more pushy and belligerent about meeting on these issues, I became increasingly uncomfortable. Warren began making statements to State officials and people in the community providing his convoluted rationale and interpretation of NEON's alleged unethical behavior. After reading through the material it seemed to me that his intent to occupy and direct half of the building did not comport either with his contribution to building upkeep—or to providing the level of accountability being required of us by our funder DSS. I consulted with Mike Widland.

After failing to get the SNCC Board to agree to developing a subcontract—or even to supply basic information about their finances, I decided that the only leverage I had to get this information was to remove them as a subcontractor. This would allow for us to form a proper subcontract with someone—even if it did not turn out to be SNCC.

Warren and I had a nasty exchange when he insisted that the people whose time cards I was approving did not work for NEON, but rather for SNCC. Certain staffing/disciplinary issues had arisen during the previous summer with Josie Castillo, and I became increasingly uncomfortable with the nebulous arrangement where Neon paid salaries but staff were not accountable to us. Moreover, while SNCC focuses its actions on the Latino population, NEON cannot do this exclusively. We cannot, and I refused to continue running a "Black" and a " Spanish" camp with City, State and Federal funds.

Resolution of these issues was long over due--having remained unresolved through three previous Executive Directors over the last 30 years. However, I did not view the resolution as urgent. While Warren was anxious to move forward on his own tract, I saw no reason to disrupt the current operation, but did seek to reduce it to writing.

Warren has repeatedly and very publicly misinterpreted the HHD Contract. He asserts that we are paying "other staff" to do what SNCC was contracted to do. We are in fact dividing the workload previously assigned to SNCC Staff to appropriate people on NEON's payroll that can carry out the work he that SNCC is no longer performing (e.g. our Workforce office, our client services, and certain permissible percentages of administrative overhead (e.g. CFO, Sr. Accountant—in the proportion of time they allocated to the HHD contract.).

For ease of review I have attempted to summarize wording, and and chronologically arrange information from SNCC documents (in Black) and Neon's documents (in blue).

## South Norwalk Community Center and NEON: A Brief History

Black Print documents supplied by Warren Pena (SNCC)
Blue Print are documents/information from NEON's files

1960 – (April 6) NEWS article

References in the article to the growing number of Puerto Rican and Cuban families moving into Fairfield County. Bishop Shehan acknowledged this issue and said the diocese was making arrangements with Rev Leonard M Colon pastor of St Mary's Church. Beginning in May'60 mass was to be offered in St. Mary's chapel on West Ave. The article reverenced suppot by priests Rev Francis Campagnone and Rev. Victor Torres-Frias.

"ST. JOSEPH CENTER" History– Typed document from early 1970s describing the earliest days of the South Norwalk Community Center (before it took that name)

Msgr. Francis Campagnone and Father Victor Torres stimulated interest in helping the Spanish-speaking community of Norwalk who had language barriers. Since most of the people were concentrated in South Norwalk, a place in the South Norwalk Community was needed.

1960 Father John Gonzales started a Center on Washington St where masses were said and various activities were held.

1961 Father Gonzales was transferred and Rev Patrick Healy was appointed to St. Joseph Church. He continued working from the Social Center on Washington St until l964.

1964 -- A part time secretary was hired and a bigger place was hoped for as the Spanish speaking population was increasing. Many activities were held at the Chapel. The Mount Carmel Credit Union was formed.

1965 Father Healey led the effort to acquire a "Center" site, ultimately purchased from the Grand Lodge Order of Elks by the Diocese of Bridgeport. (Purchase price $87,500). At that time the site was still called the St. Joseph Center described as ("a multi-service neighborhood center serving the population of South Norwalk, with particular reference to the needs of the Spanish –speaking community"). The Center was supported mainly by the contributions of the people it served through the Lady of Mt Carmel Chapel, and voluntary contributions.

1966 Father Healy was transferred and Reverend Edward Holland was appointe

1970 Father Holland resigned and Rev. Edwin Coyne was appointed.

(9/15/70) **Mimeographed Document, dated 15, 1970. Name Change: Recommendation to change the name " St. Joseph Center" to the "Norwalk Community Center**"

This internal church document penned by Rev. Coyne. Essentially the document lists the many reasons that the church needs to unload the St Joseph Center, and how to do it with the lease turmoil and criticism possible. It recommended a changer of name from St Josephs Center to the Norwalk Community Center, and broadening its purpose from serving just Spanish speaking Catholics to everyone.

> *"Financially speaking we are running and have been running at a ridiculous deficit. Times have changed and there exists serious financial problems in the diocese who is the principal support of the operation…The Catholic Spanish-speaking population has no, absolutely no need for this sized building" He goes on to say*
>
> *"Basically, then, as I see it (everyone I've talked to [1]) it would be very appropriate to change the name of the building…. to give it a new posture in the community and to begin to attack realistically its financial and service potential for the total Norwalk Community…. To attract people what we hope to project as a multi-service community center –a heavy catholic orientation or Spanish speaking orientation has to go because if we truly take on this posture there will be reluctance on the past of Spanish-speaking protestant to approach the center and avail themselves of its services, there would be this type of reluctance from the black community. There would also be hesitation n the part of public agencies to rent there and lastly—changing the name would help considerably with regard to governmental funding both state and federal."*
> *"It would also take us off the hook in many respects…because we would be throwing back into the face of the community the major responsibility for the existence and life of the building. This really seems that if they don't come to the assistance of the center by accepting rented space in the building, then, if six months from now we tell the community that the building, center and services are not really needed because of lack of response—the closing of the building and the sale of it could be achieved with far less reaction than if we were carrying the name of St Josephs Center."*

1975? News Article:—No date or attribution but mentions incidents occuring in 1973) "Portraits of People" :

[1] Document lists more than 20 names from the Mayor, Frank Zullo, to the Chief of Police, City Welfare, State Human Resources, clergy of all denominations and races.

"For SNCC's Jaime Aguayo, A Dream Rises From the Ashes"

This article notes that South Norwalk Community Center was born when because of financial difficulties in 1967 Bishop Walter Curtis wanted to close down the Spanish Community Center, Mr. Aguayo fought to merge the Center with his operation. He was then directing the Social Action Dept of the Diocese of Bridgeport with Father Joseph Holland. They were then operating from the Elks building.

References a fire that occurred on 12/31/71 and that destroyed the ELKS Building, and all the property of the Norwalk Community Center.

Notes that the South Norwalk Community Center had negotiated to find a permanent home for three years after the fire before they moved into a new location on 41 South Main St., the renovated A&P building. It was said to be twice the size of their previous temporary location on 56 Main St (a former Fish Market that also, incidentally burned down!)). There is a picture of Mimi Burgess (Board Chair of the South Norwalk Community Center since 1973) and Jaime Aguayo, SNCC's executive Director.

1978

Letter from Mimi Burgess, Chair of SNCC to her husband Bobby Burgess, Executive Director of NEON and also Chair of the Citizen's Participating Committee Development, requesting a 350,000 for a new building for SNCC. At that time they were located at 41 South Main St. Request cited that the SNCC Youth Programs and summer lunch programs were at scattered sit4s because their current location could not accommodate these programs.

1979 - Quit Claim (12/28/79)

Deed to City of Norwalk from Jacob and Claire Alexander (who had inherited property from Robert and Rocco Genovese) (Vol 1265 at Pg 152 of Norwalk Land Records)

1980

(1/31/80) Norwalk Redevelopment Agency Request for Proposal from

Architects, noting:

"*A preliminary program has been written for the Center. The predominant use will be offices for various social service agencies operating in South Norwalk, including "the Community Center", which provides a variety of bilingual services for residents of the area; the South Norwalk Credit Union, NEON, the City's Community Action Program Agency; Connecticut Legal Services; and the Human Relations Commission. In addition there will be multipurpose rooms for educational and recreational purposes."*

(2/1/80) Planning and Zoning Commission "Community Development Program 1980/81 Recommending $350,000 for the South Norwalk Community Center

*"The South Norwalk area does not now have an adequate community Center. This item would provide matching funds for the construction of a new facility. The site for this multi-purpose center is presently owned by the City and is located on the east side of South Main St between Concord and Raymond Sts. An amount of #350.000 in Community Development funds will match funds in the amount of $650,000 from the State Department of Human Resources for construction of the center.*

(2/21/80) Planning and Zoning Commission "1980/81 Community Development Program

> *RESOLVED: That the Planning and Zoning Commission having reviewed the 1980/81 Community Development Application (approves) "That the new South Norwalk Community Center be designed to include space for a wide variety of social services such as :daycare, job counseling and training, teenage programs and programs for the elderly; that will directly serve the population of South Norwalk"*

(5/29/80) Norwalk Redevelopment Agency document noting that 9,000 sq feet was designated to SNCC and 11,000 Sq Ft was designated to NEON

*"Construction of this facility will take place with $350,000 of Community Development Funds and $650,000 from the State of CT Dept of Human Resources. The structure will house both the South Norwalk Community Center (SNCC) and Norwalk Economic Opportunity Now (NEON) in 9,000 and 11,00 feet respectively. The South Norwalk Community Center provides services to only the South Norwalk Area and as such qualifies under 24 CFR 570-201c-4 as a neighborhood facility. The services to be housed in the South Norwalk Community Center have been designed fort residents of the South Norwalk Area who are primarily low and moderate income persons. The project's benefit to low and moderate income persons is therefore estimated at 100%.*

*8/27/80* Redevelopment Agency City of Norwalk (regular meeting)—indicating

that as far back as l980 (before building was completed) there were concerns about space utilization.

*"There was also a brief discussion regarding the issue of space utilization in the Community Center Building, after which Mr. Cooper indicated that he had contacted Common Council member Mr. Nicholas DiPalma who agreed to appoint a South Norwalk Community Center committee a the problems may be the result of a lack of supervision. Mr. Barton asserted that a meeting such as he had suggested was not so much an effort to provide supervision as it was to provide coordination between the agencies.*

**1981 - NORWALK NEWS (June 6, 1981) <u>"Community Center Contract Signed"</u>**

Details funding of the building at 98 South Main. Notes that the construction is being financed with a state grantee of $650,000; 320,000 budgeted last year from the city's 1 million annual Community Development Block Grant "entitlement" distributed by the federal Dept of Housing and Urban Development and $33,500 from the CDBG contingency fund (made by the redevelopment agency in case other funds do not become available).

Even so, the building committee was short until the South Norwalk Community Center offered to sell the one-third acre lot on which its original home was located. **The lot at 63 South Main St appraised at $85,500 was donated to the south Norwalk community center by the Diocese of Bridgeport (last year).** The proceeds were subsequently added to the city's funds to complete the building at 98 South Main St.

1981 (8/81) **Notes Ground Breaking Ceremony 9/10/81):**

Noting that there was an $85,500 contribution to the cost of the project the Diocese of Bridgeport's gift of a parcel of land, the value of which would go toward construction costs. CT DHR contributed $650,000 and Community Service Block Grant (CDBG)by the City of Norwalk contributed in excess of $400,000. Letter signed by Bobby Burgess (Exec Dir of NEON, his wife Mimi Burgess (Board Chair for SNCC) and Andrew Brucker, Chair of SNCC Building Committee.

**<u>1982 - 98 South Main St BUILDING OPENS: Sunday Post (Bridgeport?) Suburban West (Oct 10, 1982).</u>**

Notes the completion of the building at 98 South Main St., on the site of car wash.

Twenty-five public agencies and non-profit city agencies were placed in the building initially.

Original occupants included:
CETA jobs programs
NEON
The local food stamp program
Conn. Legal Services
City federal credit union
RSVP (Retired Senior Volunteers)
Southwestern Regional Mental Health Board
Dept of Human Services field Office
Norwalk Human Relations Commission
Pre-trail Intervention Program
Project In Touch
Women Infants and Children
Work Incentive Program and
SNCC
Summer Youth Employment program

Article notes that the building was to replace the Center that burned down in l971. 98 South Main St is also across the Street from the St., Joseph Center.

At this time, the SNCC Director was Daniel Maldonado. SNCC Board Chair was Mini Burgess (married to NEON Director Bobby Burgess). DHR Commissioner Ron Manning was at the ribbon cutting ceremony. Bobby Burgess was credited with being a driving force behind getting the building completed

**Date: ???? Undated, unattributed Planning Document: "NOTES ON COMMUNITY DEVELOPMENT REQUEST**" appears to be notes from the City's Redevelopment Agency" **Notes confusion between the building "South Norwalk Social Services Center and SNCC (South Norwalk Community Center)**

> Document notes that Rev Clemens was trying to apply for DCA funds—not seem to imply that at the time SNCC was considered the city's "delegate agency " for South Norwalk funds.
>
> Document also notes "the center is named the South Norwalk Social Services Center…often called and referred to as the South Norwalk Community Center—clear similarity of names ( South Norwalk Community Center—the group) has

already caused contributions which were thought to have been to SNCC to be misdirected. City allocated $350,000 to the South Norwalk Community Center (the building fund—not the group).

1987

(8/26/87) Building Quit Claimed from City to SNCC and NEON with reverter language (Norwalk Land Records Vol 2096 Pg. 255)

*"The premises are hereby conveyed to the grantees by the City to insure that these organizations have a facility to carry out the Social Services for which they were organized it being a condition of this deed that should the said grantees or their successors ever cease to use the premises solely for said Social Services purposes for the benefit of the citizns of Norwalk, that title in said premises shall revert to the City of Norwalk"*

**NO DATE—NO ATTRIBUTION --DOCUMENT "OUTLINE OF PROPOSED OPERATING FORMULA FOR SNCC FACILITY**

The wording of this document suggests that SNCC felt itelf "in charge". Document noted that SNCC was the owner—but NEON would have perpetual use.
It acknowledged NEON a co-operator and proposed a building committee where SNCC would have 3 members and Neon 2. They would jointly select a chair that must be approved by SNCC.

Terms at that time included SNCC's exclusive entitlement to assign use of the Multipurpose room. Neon was charged for rooms use "at cost"

1991

6/10/91 City of Norwalk Grants a drainage easement to NEON (no mention of SNCC) Norwalk Land Records (Vol 2549 Pg. 293)

1995

6/6/95 South Norwalk Community Center Certificate of Incorporation( filed 9/21/95) Signed by Mimi Burgess (Mary E Burgess) as an incorporator

6/13/95 SNCC By Laws filed with Secy of State.

9/95 Zoning Board of Appeals granted a variance to NEON as owner of the land for purpose of expanding its lot to include the halfway House next door. (Land Records Vol 3147 at pg. 305)

2009

(6/09) Neon grants use parking lot on Sundays to St. Paul's Church –no mention of SNCC (Vol 7041 Pg.161)

2012

**March/2012 Consent order signed with State Dept. Of Public Health**

SNCC was found to have been running an "after school program" (as a "Homework Help" program) without being properly licensed and completely outside of State regulation. The fine consist of charges for every day that the program had not been properly licensed (years). Because Jose Castillo, the Director of the SNCC was on Neon's payroll, and allegedly under it's control, NEON was deemed responsible. We settled with with the State for $2500 and a promise not to operate any unlicensed programs (under threat of a $600,000 fine being reinstituted).