

AFFIDAVIT OF KATHERINE REITZEL

STATE OF FLORIDA }
COUNTY OF MONROE }

Before me, the undersigned authority, personally appeared KATHERINE REITZEL, on the date shown last below, who after being sworn said that she has personal knowledge of the following information and that the information is true and correct according to the affiant's best knowledge, recollection and belief:

Scope of Responsibilities:

1. I became the Director of Finance in January 2005. There had not been a finance director since November 2002.
2. As a director I was a mid-level manager. I was never an Executive Director or attended any of the bi-monthly Executive Director meetings held in the Superintendent's office. I was not required to attend bi-monthly school board meetings, as was the entire executive staff.
3. The two job descriptions for Finance Director that were in existence in January 2005 limit my authority to supervise, establish policy and to recommend discipline to the employees of the finance department. In 2005 I reported to the Executive Director of Business and Finance, Dr. Mary Chambers, CPA.
4. In the spring of 2005 I collated the existing Financial Policies and Procedures in a manual for the Finance Department, including a chapter of Purchasing Card Procedures. This manual was posted on the school district website.
5. Dr. Chambers conducted my first job evaluation as Director of Finance. It was a positive evaluation. Dr. Chambers retired from MCSD in September 2005.
6. From September 2005 through August 2006 the position of Executive Director of Finance remained vacant.
7. On September 22, 2005 board approved contract with Evergreen Solutions, LLC ("Evergreen") to review effectiveness and efficiency of the MCSD.
8. Evergreen delivered a preliminary report on April 27, 2006. Evergreen presented the current MCSD organization chart and their proposed organization chart.
9. Their first recommendation was that an Executive Director of Business, previously called the Executive Director of Business and Finance, be advertised and filled.

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10. This position would supervise all district administrative directors except for those reporting to Executive Director of Facilities and Maintenance.
11. August 2006, Superintendent Acevedo appointed Pedro Fraga Executive Director of Business. The board approved the appointment.
12. Pedro Fraga had been a guidance counselor, coach, and elementary school principal. He retired in June 2004. He asked then Superintendent John Padget to rehire him, out of retirement. John Padget did not rehire him.
13. In the summer of 2004, Randy Acevedo (D) declared his candidacy for superintendent to run against incumbent John Padget (R). Pedro Fraga (D) changed his party affiliation to Republican and ran against John Padget in the primary for superintendent.
14. Pedro Fraga lost to John Padget in the Republican primary.
15. November 2004 Randy Acevedo defeated John Padget and became Superintendent. He immediately rehired Pedro Fraga to be Executive Director of Support Services. Dr. Mary Chambers, CPA was Executive Director of Business and Finance.
16. Pedro Fraga never performed any of the financial duties that Dr. Mary Chambers, the previous Executive Director of Business and Finance had performed such as: presenting financial statements at school board meetings and answering board questions, presenting the financial impact of union increases to the bargaining team, negotiating financing of the three schools that were being rebuilt, being the point person for the superintendent with the Florida Auditor General's Office, keeping the school board and superintendent apprised of State mandates, etc.
17. To protect the MCSD, I stepped in to fulfill many of those job responsibilities that had been abandoned by the appointment of Pedro Fraga. My salary and job description remained unchanged.
18. In January 2007 Evergreen Solutions presented its final report. Under Chapter 6 – Finance, the MCSD is commended for providing a Purchasing Card Program to employees that is very efficient and reduces the number of purchase orders and payments to vendors.
19. April 2007 school board appointed two committees: Finance and Facilities. Each board member selected a member of the community to represent them on the committee.
20. I sat on the Finance Committee, along with the superintendent. Pedro Fraga was not on the Finance Committee. The board never utilized or attempted to benefit from these two committees and they were eventually disbanded.

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21. In 2007 Management Advisory Group (MAG) was hired to perform a compensation study to evaluate salary ranges for teacher and non union personnel and compare them to the appropriate job market. Each employee was required to fill out a questionnaire about their job duties.
22. I filled out my questionnaire and stated that I was doing two different jobs, one for Exec Dir and one for finance director. MAG rewrote job description for Dir of Finance to include those job duties abandoned by Pedro Fraga. MAG never consulted with me on the changes to the rewritten job description.
23. MAG's job description for the Director of Finance included district wide authority and responsibilities that traditionally had been the oversight of the Executive Director of Business.
24. MAG rewrote job description for Adult Ed Coordinator, held by Monique Acevedo to fit her qualifications, which were primarily that she has a driver's license and high school diploma.
25. These qualifications violated Department of Education minimum qualifications for her position. After the scandal of 2009, MAG was sued by the MCSB. A settlement was reached for \$50K.
26. During this period, the MCSB approved new job descriptions.
27. I was never shown the new job description. Cheryl Allen said it was responsibility of employee's supervisor to review job descriptions, with the employee. If I had been advised of a promotion I would have negotiated for an executive salary.
28. I first saw this re-written job description after I blew the whistle on Monique Acevedo.
29. Many of the finance scandals that have surfaced after 2009 – the double dipping in payroll, the IT department scandal, the purchasing scandal, the food service audit write-ups all were in departments that reported to Pedro Fraga.
30. On June 30, 2009 board quietly approves (on consent agenda) the transfer of Pedro Fraga to an elementary school as a guidance counselor. Fraga retired from the school district in June 2013 after earning a second retirement.
31. My final performance evaluation, signed by Dr. Joseph Burke on October 1, 2009, after I was forced out, stated that "Ms Reitzel performed essential duties of the Finance Director."

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Purchase Card Program

32. The Purchase Card System was first implemented in 2000 and originally approximately 20 principals and directors held purchasing cards (P-cards).
33. By 2009, there were over 114 active P-cards.
34. Only the superintendent could authorize the issuance of a P-card to an employee.
35. Every employee who was issued a card received training in the finance department on the policies and procedures and their responsibilities for being entrusted with a P card. Every employee signed and dated a Cardholder Acceptance Form, attesting that they had received training and understood their responsibilities. The trainer initialed the form as well.
36. The IT Department issued passwords to each card holder to access TERMS, the accounting software. The finance department played no role in assigning or rescinding passwords for terminated or transferred/promoted employees.
37. Each department or school's P card clerk would enter description of the purchase and code the purchase to its budgeted account on the requisition form that had come through TERMS from the bank.
38. The procedures for processing P card purchases and standard purchase orders were the same; the system had been designed that way to eliminate training on two different programs.
39. There were three (3) levels to assure proper checks and balances before the P card charge was considered complete.
40. First, the P card holder's supervisor would approve the purchase on line in TERMS.
41. Second, the purchasing department approved this purchase; reviewing for, among other things, that no capital items were purchased, which was only allowed by the IT department.
42. Third, the Finance department verified only that the already approved purchase was properly coded for financial recording.
43. Linda Walker, the P-card clerk, had no approval authority in the third level. That would have violated basic checks and balances whereby the employee paying the invoice (Walker) could not also approve it for payment.

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44. Each line supervisor was required to sign off on the Payment Request Form to attest that both the cardholder and the cardholder's supervisor had reviewed that attached purchases and that "all purchases are legal purchases as allowed by School Board Policy and Florida Statutes."
45. This form was specifically designed in 2000 to assign responsibility to the front line managers who have firsthand knowledge of the purchases made in their departments
46. By the time the Payment Request Form, with attached receipts, was received in the Finance Department, the purchase had been made and the P-card payment remitted to the bank.
47. When Monique Acevedo became the Adult Education Coordinator, she retained both her password as the P card clerk and she received a new password for her new managerial position. Her old password was never terminated by the IT department.
48. The Finance department did not know that the person entering P card charges as Adult Education and also approving them was the same employee, Monique Acevedo. That was a basic breach of checks and balances and was one of the major factors that allowed the fraud to be perpetuated for years.
49. Additionally, Monique Acevedo's direct supervisors, alternately Frankie St. James and Mike Henriquez, signed off on her Payment request form that contained fraudulent purchases.
50. They did not perform their duties to review and attest that "all purchases are legal purchases as allowed by School Board Policy and Florida Statutes."
51. In short, they did not supervise as required or know what their direct subordinate was spending budgeted taxpayer dollars upon or confirm that they were valid purchases.
52. The Finance Department never had the responsibility to review all purchases and ascertain if the purchase was for a public purpose and appropriate for that particular department, for 114 then active P cards.
53. These supervisors neglected to inform the finance department that they had abandoned their assigned responsibilities, as P card supervisors, as stated on the Payment Request Form, but they continued to sign and approve improper purchases for payment.
54. In June 2009 I had an email exchange with Board member Debra Walker and Richard Fechter. The Key West Citizen had quoted, erroneously, an employee from the Finance Department as saying they did not know what they were approving when they approved each P-card purchase.

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55. Richard Fechter stated that the newspaper had mistakenly quoted someone from the Finance Department, when in fact, it was the Purchasing Department that told him they did not know what they were approving.
56. No attempt was made to correct the newspaper's misquote. The Purchasing Department reported to Pedro Fraga.
57. The Finance Department was responsible for Accounts Payable. Once a supervisor authorized a purchase to be paid, that was the authority given for payment. The Finance department did not have the responsibility to do a substantive audit of P card purchases for 114 P cardholders.
58. In order for the system of checks and balances that was in place to be effective, it was imperative that each approval level properly accomplish their assigned responsibilities as required by the Finance Policy and Procedures Manual.

Whistle Blower Claim:

59. In October 2007 Diomi Alfonso, my office manager, brought to my attention a charge on Monique Acevedo's P card for airline tickets purchased in May 2007. The tickets were for her and her children to fly to North Carolina, where her parents lived.
60. Acevedo's supervisor at the time, Frankie St. James signed off on the P card submission, attesting to the validity of the attached purchases, as required by the Finance Policy and Procedures Manual.
61. I took the documents to my supervisor, the superintendent. He wrote a check reimbursing the district for the personal purchases. I told him "this must never happen again." He assured me that it would not.
62. I went to the superintendent because he had the authority to remedy the situation. His wife's direct supervisor, Deputy Superintendent St. James had signed off on the purchases. My prior experience with St. James over the David Makepeace theft (see #123-130) did not inspire confidence that it would be properly dealt with.
63. The Administrative policy in the past for improper P card transactions was to allow the employee to reimburse the district. The previous superintendent, John Padget, repeatedly used his P card to purchase alcohol and he was repeatedly advised that purchasing alcohol was an improper purchase.

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64. About a month later Linda Walker informed me that there appeared to be a second set of ticket charges.
65. After investigating, it appeared to be the roundtrip of the first set. Walker continued to monitor Monique's purchases.
66. Beginning of February 2009, Doria Goodrich, Chief Operating Officer, First State Bank of the Florida Keys, and the School District's banking partner, and I went to lunch to discuss interviews she had with 4 out of 5 of school board members.
67. In January 2009, she took Steve Pribramsky, John Dick, Duncan Mathewson, and Andy Griffiths out to lunch, separately, to poll them on how her bank could better serve the school district.
68. She told me that Pribramsky, Dick and Griffiths were all very outspoken about their dislike of Randy Acevedo. She told me she was especially shocked at Andy Griffith's expressed dislike of Acevedo.
69. Pribramsky and Dick had both supported Acevedo's opponent, Fred Colvard, in the November 2008 re-election campaign, in which Colvard lost to Acevedo.
70. On February 5, 2009 one of my employees, Linda Walker, cancelled Monique Acevedo's purchasing card because of a suspicious charge on it for an XM Satellite radio lease.
71. On February 6, 2009 Randy Acevedo emailed me to inquire if he, Linda and I can work out the dispute with Monique's P card. He said Monique is upset. I instructed my staff not to pay any of her expense reports until further notice and to not re-issue her credit card.
72. I instructed Linda Walker to run a report of Monique Acevedo's P card purchasing from July 1, 2008, the beginning of the fiscal year.
73. On February 9, 2009 Randy Acevedo emailed me and asked when could we meet to resolve Monique's credit card issue.
74. February 11, 2009, I met with Randy Acevedo and he handed me a letter from the Marc House, later deemed to be forged by Monique Acevedo, purporting to justify use of XM Satellite radio.
75. This letter was the basis of the 1st felony charge of obstruction of justice against Randy Acevedo. I kept the letter and provided it to Mark Wilson, Assistant State Attorney and White Collar Crime Prosecutor.

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76. February 12, 2009, I met with superintendent and handed him a 43 page composite document, with certain purchases highlighted to support my position that his wife had been using her P card for personal purchases. I demanded receipts for all charges.
77. Before I went to my meeting with the superintendent, Diomi Alfonso, my office manager said "Good luck, you realize you are walking on thin ice."
78. She was referring to the fact that criticizing Monique Acevedo to her husband was a dangerous thing to do. She and a few others waited until I returned to make certain that I DID return and had not been fired.
79. Superintendent Acevedo called me on my cell phone as I was leaving district office. I told him he should treat her like any other employee that she needed to be turned in.
80. February 13, 2009 Randy Acevedo asks me if I intended to talk with anyone before our next schedule meeting, on the Tuesday following the holiday weekend. This was the basis of 2nd felony charge of obstruction of justice.
81. February 17, 2009 I met with Superintendent Acevedo and Monique Acevedo. She told me "things have always been this way," and when her predecessor John Andola had a problem with his credit card (he gave it to his partner to go on a spending spree) all the prior finance director did was to ask "Where do I send the new card?"
82. After this meeting, I told Superintendent Acevedo that I could not sign the management letter for the audit, which would require me to attest that I had no knowledge of fraud.
83. During Feb. 18 – end of month 2009 the Audit was being wrapped up and I was answering last questions for Auditor General's Office (something the Executive Director of Business used to do)
84. I received a phone call from one of the AG's auditors. He said that he was looking at an organization chart, which showed Pedro Fraga was the Executive Director of Business and therefore, he asked "Shouldn't he sign the management letter as the Chief Financial Officer?" This was the first audit year that the CFO was required to sign off on the management letter.
85. Acevedo said that he would sign as the Chief Executive Officer.
86. I replied that Pedro Fraga was a former elementary school principal and did the AG want him to sign off on the district audit? He said probably not, they would send me the management letter to review.
87. I knew that I could not and would not sign the letter. I could have sidestepped the whole issue and let Pedro Fraga sign, and he would have and no one would have been

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the wiser. The audit would have been over and Monique Acevedo would have continued unchecked. But that was not the right thing to do.

88. The AG's auditors never audited the purchasing cards and Monique Acevedo could still be stealing from the district.
89. On February 25-26 2009, Superintendent Acevedo signed the management letter and had it delivered to me for my signature. This was the Basis of 3rd felony charge of obstruction of justice.
90. On March 2, 2009 I telephone Ray Gonzalez and Gus Silva, Auditor General audit supervisors and told them, on speakerphone, that I cannot sign management letter as it stands, because I have knowledge of fraud. I asked them what the protocol in this situation is. They consulted with Tallahassee main office and advised me to type an addendum to the letter, sign it and fax it to them. I prepared an addendum disclosing the fraud and signed it.
91. At the August 18th 2009 board meeting, televised to the public, where Richard Fechter delivered his final forensic report, he falsely told the board and the public at large, that there was no evidence that I ever submitted the signed management letter.
92. Gus Silva testified at the August 12 Grand Jury, where both myself and Richard Fechter also testified and also at Randy Acevedo's trial that I had delivered the letter. This was a fact easily confirmed by Fechter with a phone call to the State Auditors, with whom he worked very closely during his investigation.
93. That comment, in addition to adding more negative judgments to my character, exhibits a lack of due care in Fechter's audit process.
94. It also exhibits a total lack of understanding of basic auditing precepts. Government audits cannot be issued without a letter from management, period. The audit was released in May 2009.
95. March 2, 2009, I telephoned Andy Griffiths and asked him to come to my office. When he came I showed him the 43-page report and told him I had refused to sign the management letter without my addendum reporting fraud.
96. March 2, 2009 I told Randy Acevedo that I had called the AG auditors and Andy Griffiths and reported fraud. He yelled at me that "You have given them what they need."
97. I gave Randy Acevedo, the chief executive officer of the school district, the opportunity to right a wrong and to do what he was elected to do.

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98. On March 6, 2009, some four days after I reported fraud, Andy Griffiths came to my office and said “there is too much negative publicity in the newspapers” and admitted that “the board hasn’t done anything.” He appeared concerned about bad publicity from the press questioning the board’s failure to manage their ultimate financial and fiduciary responsibility for the school district.
99. I drafted a letter to the State Attorney, and provided two boxes documenting what I considered to be questionable purchases to go with the letter. His reluctance was demonstrated in his last words to me as he left my office by saying, “I hope I make it there without throwing up.”
100. March 3rd, 2009 the day after I reported fraud to the State Auditor General’s Office and to the Chairman of the School Board, the Board Attorney, Richard Collins, came to my office in the finance department.
101. About this time, Richard Collins asked me how I was holding up, referring in part to the media firestorm. I asked Richard Collins if I should hire an attorney. Collins responded “No, you have done nothing wrong.”
102. On Friday March 20, 2009, John Guerra, Education Reporter for the Key West Citizen, left a message on my office phone that “there is a rumor going around that Randy Acevedo will not renew your contract on June 30th. Don’t worry, you did the right thing, we’ve got you covered.”
103. Minutes later, Board member Steve Pribramsky left a message on my office phone that there was a rumor going around that Randy Acevedo was not going to renew my contract on June 30th and he wanted to talk to me about that. He left his cell phone as a call back number.
104. Within the hour, former Executive Director of Finance, Dr. Mary Chambers called me and said that Andy Griffiths had just called her and said there was a rumor going around that Randy Acevedo was not going to renew my contract on June 30th.
105. These School Board members resorted to using the press to put pressure on me to “tell all.”
106. They did not know me very well, or they would have realized I did not need to be threatened to do the right thing.
107. Throughout March 2009, I worked with Richard Collins, documenting Monique Acevedo’s fraudulent behavior. My communications to him were by email, digitally signed, and addressed to him.

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108. These emails conveyed to them the theft(s) by Monique Acevedo and were made to a person who could investigate and remedy the situation. They were on my personal office email and carried my digital signature.
109. The MCSD IT department maintains backup disks, unlike L.T. Lafferty's firm, which destroys all email correspondence after 6 months as part of their record retention policy, even after they have been notified they are part of a lawsuit.
110. In March 2009 Fred Sims, the Executive Director of Facilities, came to my office in the finance department with a P card batch approval form with backup documentation that showed suspicious purchases from Wade Acevedo, the son of the superintendent and charged to Fred Sims's purchasing card.
111. Fred Sims threw the batch of receipts my desk and said "Take care of this, I need my job."
112. I took the documents to Richard Collins and told of the encounter with Executive Director Fred Sims. Collins told me to take the documents to Sims and "tell him to do his job."
113. Collins then asked me to document the encounter in email format, to him, which I did in a signed email.
114. In my "interview" with L.T. Lafferty and Richard Fechter on July 15, 2009, Lafferty stated that Fred Sims said he did not know what his responsibilities were as a supervisor, signing off on P card purchases.
115. I asserted in response that Sims, as a veteran of the MCSD, and an Executive Director knew exactly what his responsibilities were when he told me "take care of this, I need my job."
116. On March 12, 2009, Randy Acevedo falsely reported in the newspapers that it was common practice to use the purchasing cards for personal use.
117. I called Andy Griffiths and asked to address the school board because most employees used the card responsibly and they were insulted by his remarks.

The Investigation by Richard Fechter and LT Lafferty:

118. Because of concerns about apparently missing purchase documentation, on March 24, 2009 I went to Key West High School Adult Education department with Hector Quevedo,

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from the Auditor General's office. Some of the missing purchases appeared to have been surreptitiously returned.

119. I called Richard Collins, on my way to school board meeting and he asked me to get someone from finance to the High School to take pictures. I sent Linda Walker and another employee.
120. Richard Collins spoke with the State Attorney's Office and they secured the Adult Education offices to prevent any more stolen items from being returned.
121. On March 26, 2009 I drove to Key West High School to talk with Principal John Welsh and Vice Principal Christina McPherson about missing Freshman Class funds. I told Richard Fechter, the newly hired forensic accountant that he should accompany me.
122. At the end of March, 2009 I told Andy Kempel, an investigator with the State Attorney's Office and Jeffrey Hutcheon, of the FDLE, what I knew about the events in February 2009. They told me that I was the first person they had talked with "who did not have amnesia."
123. In January 2005, my first month as finance director I investigated a teacher, David Makepeace, at Coral Shores High School who had set up a dummy company and was billing the district office a second time for work he was already being paid for as a teacher.
124. I reported it to Dirk Smits, the school board attorney. I engaged a forensic accountant to investigate. I hired Ted Nesmith from Quantum Consulting and he determined that the teacher was indeed guilty of misappropriating funds.
125. Makepeace was reported to the Department of Education, the investigation was covered by the media.
126. This teacher was a darling of the school board. When I reported this fraud to his supervisor, Frankie St. James, she became agitated and said I should talk with the superintendent.
127. A member of the maintenance department came to the finance department and asked my office manager, Diomi Alfonso, "Who ratted out the teacher?" That spoke volumes to me and my staff about the culture at the school district.
128. The school board asked the superintendent to show Makepeace leniency. Randy Acevedo told me that it was a "political necessity," not to terminate the teacher.

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129. Regardless of the fact that the superintendent made the recommendation to ignore the fraud and provide leniency, it was the school board who did not require that the fraud be officially pursued.
130. The teacher was merely fined \$1,000, which he did not pay even after several requests from MCSD Attorney Dirk Smits, until the State Attorney's Office started to look into his case in 2009 after the Acevedo scandal had become public.
131. In January 2009, less than one month before the Monique Acevedo fraud, my staff was auditing the daycare funds at the elementary schools and uncovered a fraud by the Plantation Key Bookkeeper, Tabitha Peters.
132. She was investigated by State Attorney's Office and pled guilty.
133. April 14, 2009 I gave a sworn statement to Andy Kempel, SAO and Jeffrey Hutcheon, FDLE about the fraud in the MCSD.
134. May 11, 2009 Mark Wilson came to my office along with Andy Kempel. It was the first of several meetings with the prosecutor. I showed him the Marc house letter, her credit card, which had mysteriously appeared on my desk one morning, the 43 page report and the management letter.
135. I met with Special Agent Jane Broadway of the Federal Bureau of Investigation on May 20th and again on June 2, 2009 in the finance department.
136. Special Agent Jane Broadway stated that in her opinion, "you are a hero." She concluded that no monies from a federal grant John Dick had called into question had been compromised.
137. May 28, 2009 After release of Audit Report for 2008 fiscal year, I addressed the school board at a public meeting. Headlines the next day read "Finance Director – Perfect Storm of events led to scandal."
138. Line supervisors and Executive Directors failed to supervise or meet their requirements, starting with the schools and directors who did not follow the procedures for purchase cards and the executive directors, who did not enforce them or support the finance department in its efforts to adhere to p card policies and procedures.
139. MCSD followed school based management, which meant the finance department, along with other district departments, supported the schools, which were the operating centers. It was the responsibility of the Executive Directors to take any cash collection policies to the board for approval. Prior state audits had not cited school board cash policies to be deficient.

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140. The Finance Department did not have the authority to enforce procedures. Without the cooperation and the example of the principals, department heads, executive staff and the board, it was impossible and contrary to MCSD procedures for the finance department to cause enforcement of P-Card requirements.
141. Linda Walker reported purchase card violations over and over to employees' supervisors, via emails and phone calls, to school board members, to principals and to the superintendent.
142. I spoke to the executive staff about the explosion of purchasing cards – there were over 100 issued and asked that this number be reined in. When I blew the whistle there were over 114 credit cards issued.
143. In contrast, the Monroe County Clerk's Office only issued 5 purchasing cards to all of their satellite agencies.
144. I asked the executive staff to relieve the finance department of being responsible for the repair and maintenance of cell phones, which should have been the responsibility of purchasing. I was denied.
145. I was the point person for Richard Fechter's investigation. Linda Walker and I provided him with all records and documents he requested.
146. We went to the document storage area in the Administration Building and delivered old purchasing card batches to Richard Fechter.
147. From these old records, it was determined that Monique Acevedo's first fraudulent purchase of an airline ticket was in 2004, prior to my appointment as finance director.
148. June 10, 2009 I testified the first time at Grand Jury. Randy Acevedo was arrested on June 11, 2009. I later testified at a second Grand Jury, in August 2009.
149. On June 11, 2009 LT Lafferty told school board and media that I could be terminated for "incompetence," as an affirmative defense to any whistleblower action I might pursue.
150. June 18, 2009 Board member Steve Pribramsky came to my district office and said: "Give me a good reason why I should not recommend you be terminated at the June 23rd board meeting."
151. I replied: "I was the only one who came forward and reported her theft." I told Pribramsky that Jane Broadway, Special Agent with the FBI said to me when she first came to my office on May 20, 2009, that in her opinion, I was a hero.

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152. Pribramsky replied: "So, should we give you a 'Whatever it takes award?'" He said my contract would be renewed on June 30, 2009 but it will be a 3-2 vote. It appeared to me that if true, this knowledge would only be available through a violation of the Florida Sunshine Law rules by the members of the MCSB.
153. In July 2009, State Attorney's Office opened a Sunshine Law investigation involving John Dick and Steve Pribramsky, involving a 2007 email exchange.
154. At the end of June, 2009, I attended a meeting with all five board members, Richard Collins and Cheryl Allen. It was not televised. Board members reviewed each department's staffing and we were told to cut hours, to save money.
155. I was told I could not cut hours of my employees; that I had to terminate two employees. Mine was the only department that was directed to cut staff, not hours.
156. I attended two board meetings, June 23 and June 30 where LT Lafferty openly discussed and advised the school board regarding whether they should terminate me by not renewing my contract on June 30th or wait until they released the final report, which I never saw prior to my severance, and then terminate me.
157. I selected two employees to be terminated. Michael Henriquez, the acting superintendent signed the letters. As I was walking into the board meeting on June 30, 2009, Cheryl Allen stopped me and told me I had to terminate two employees before the board meeting began.
158. Allen told me that the names of the employees would be posted that night on the board agenda, so I had to do it immediately.
159. I told Cheryl most of my employees had gone home for the day. She told me to call someone at home and fire them over the phone, but under no circumstance could I terminate Linda Walker on June 30th.
160. I called Judy Walterson and fired her over the phone, having been required to make a termination telephone call.
161. I felt at this point I was working for a pack of animals, actually, that is an insult to animals. The school board exhibited such a blood lust, that nothing mattered to them except "heads have to roll."
162. A colleague of mine, Layne Goldman, addressed the school board on June 30th and reminded them of all of the positive things I had done for the district.

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163. She reminded them that one of my contributions included saving the district almost \$600K which the US Department of Education was going to demand to be repaid. I had been personally thanked by the US DOE for my work in their investigation.
164. LT Lafferty, after my friend spoke, commented to the board: "I did not say Kathy Reitzel was incompetent in **everything.**" (emphasis added)
165. I was there at this meeting, listening to myself being discussed as if I were a rock, with no human attributes.
166. After the school board renewed my contract and the meeting was over, School Board member John Dick came up to me and said "congratulations, you will have a contract, at least for a little while longer."
167. On July 7, 2009, Mark Wilson, Prosecutor with State Attorney's Office called me and asked me how I was holding up under the "drubbing" I was taking in the press. He said that the negative publicity about me was potentially hurting his case, but that was his problem.
168. I told Richard Collins about this conversation and he said that he had told the board this would happen but the board ignored him and continued to talk to the press.
169. July 15, 2009 I was interviewed by LT Lafferty for the first and only time. Richard Fechter was also present. Lafferty and Fechter had been retained in the April-June 2009 time frame.
170. Lafferty wanted to know if I had anything I wanted to add to their investigation.
171. I told both of them about David Makepeace, Tabitha Peters, Fred Sims, school base management and the voluminous emails sent out by my department reminding MCSD of their responsibilities regarding purchasing cards. I emphasized the training that Linda Walker had done and that we had signed documents attesting to that training.
172. Every time I said something in my defense, LT Lafferty responded "Yes, but..." It became very apparent to me that he was not interested in anything that I had to say in my defense, or to correct assumptions Richard Fechter had made.
173. He gave the appearance that he had already made his conclusions and this was just a perfunctory job he had to do so he could say he had given me the opportunity to defend myself. He had an agenda and that was to deflect any culpability from the school board, who had ultimate financial and fiduciary responsibility for the school district.

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174. July was a busy month for a finance director. It is the end of the fiscal year, tax rates have to be calculated and the budget for the 2009-10 fiscal year advertised and presented to the school board.
175. Michael Henriquez was the acting superintendent. He had been Executive Director of Curriculum and knew nothing of finance.
176. I prepared the tax rates to be advertised and a PowerPoint presentation about the 09-10 budget for the board.
177. At the end of July - Andy Griffiths and I presented the school district's budget to the Key West Chamber of Commerce, with Virginia Panico, at the Keys Energy Services Bldg, off of Grinnell. The newly elected Sheriff, Bob Peryam was also there to present his budget.
178. Peryam's finance director, Amy Heavilin, who is now the Clerk of Court, came up to me and offered her condolences. She said "it could happen to any one of us."
179. July 28, 2009 School Board adopted a preliminary budget, prepared, advertised and presented by me to School Board. School Board member Pribramsky asked me, as I was standing next to him during my presentation, "Are you dressed in white, to make yourself look like a nurse, so that I will go easier on you?"
180. That meeting was the last one I attended as an employee of the school district; before going out on Family Medical Leave ("FMLA"), testifying as the primary witness at Randy Acevedo's trial, and returning to work to be forced out on September 2, 2009.
181. The school board from my many years of service knew that I was competent. Chairman Andy Griffiths ask me to present the budget with him . After I was forced out, the MCSB adopted the budget I had prepared at the end of September.
182. In July 30, 2009 after working 11 straight days, including weekends, at the school district, I was deposed by Catherine Vogel, Randy Acevedo's defense attorney.
183. August 6-28, 2009 I went on family medical leave on the advice of my physician.
184. From March 2- August 6th I dealt with continuous freedom of information requests from the media, State auditor requests, investigator requests, emails and telephone calls from reporters, document requests from Richard Fechter, with absolutely no assistance at all from any of the executive staff. They were all too scared and intimidated to help do the right thing or make and assist with any disclosures.

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185. I complained to Dirk Smits in March 2009 that I had been chased up the stairs to the finance department by a Key West Citizen reporter and a photographer. His comment was "if you are going to have your picture taken, you might as well enjoy it."
186. John Dick repeatedly told me that we had to purge more employees.
187. On August 18, 2009 LT Lafferty and Richard Fechter presented the final Berkowitz report.
188. L.T. Lafferty was instructed to research whether an employee could be terminated while on medical leave. I was the only "selected" employee on medical leave.
189. During the August 25-27, 2009 Randy Acevedo trial, I was the State's primary witness and testified from 9:30 am to 3:00 pm with a only a break for lunch. I was sequestered during the days of the trial.
190. While I was testifying at Acevedo's trial, Joe Burke was giving interviews with reporters, stating he was ready to fire employees.
191. On August 28, 2009 Randy Acevedo was convicted on three felony counts of obstruction of justice, all having to do with trying to obstruct me from coming forward and reporting wrong doing. Governor began proceedings to remove him from office.

My Forced Retirement:

192. On September 2, 2009 at approximately 10 am I was called to Dirk Smits office. Cheryl Allen was present but attorney Smits did all of the talking.
193. Smits informed me that Dr. Joe Burke the new Superintendent was going to recommend to the board that I be terminated, but that I could resign. No specific cause was given (see 194 below). At some point, worn out and in shock, I asked if I could retire, instead of resign. Cheryl Allen responded she would ask Dr. Burke and get back to me.
194. I was told that I was being terminated based on the Final Berkowitz Report, a report I had never seen.
195. Dirk Smits told me he needed to know my decision by 3 pm that same afternoon.
196. I immediately told Smits that was not enough time to decide how to end my career with the school district. I received good to exceptional performance evaluations up until this point.

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197. Cheryl Allen said I could have until noon, the next day.
198. I was told by Smits that if I had anything of substantive value to tell Dr. Burke, I could tell them and they would pass it on to him. There was nothing I could defend or say without knowing what I was being accused of doing or not doing.
199. I was never apprised of my options, of what statutes I had violated to warrant this harsh punishment or what the good cause was for my being forced out after years of employment with the MCSD.
200. It was not until almost a year later, at my deposition by Defendant, that I first saw the Lafferty Final Forensic Investigation Employee Discipline Legal Analysis. Lafferty recommended 3 options for my "discipline." Joe Burke selected the harshest.
201. I was never provided a letter outlining my options for a hearing to dispute Defendant's claim that I was terminated for cause.
202. I had worked all of my adult life in New York City, until I moved to the Keys. In NYC, as a non union employee, if you were told your CEO was going to recommend you be terminated, then that was it. I did not know what DOAH was, or what my rights were, or even if I had any recourse at all. Just as importantly, I was not given time to find out.
203. I know that Dirk Smits talked with LT Lafferty on September 2nd, from both of their billing records. Why were my options kept a big secret? LT Lafferty bills himself as an "ethics attorney." Where are the "ethics" in the way all of this came down? It was a travesty.
204. I went back to the finance department and told my staff. They were very upset and cried.
205. I went to my office and called an attorney whose name I had been given by a friend who is the Human Resource Director of the Pier House, in Key West. I had retained Peter Siegel even though Richard Collins told me I did not need an attorney.
206. I had reported fraud when I was the finance director at Lower Keys Medical Center, from 2000 – 2002. My direct supervisor, the CFO, was fired as a result of my reporting fraud. The Chief Executive Officer wanted to fire me for his friend being terminated.
207. As a result of this previous experience, and seeing how the school board was looking to scapegoat employees, I retained an attorney.
208. When I called Peter Siegel, he was on his way to court in Fort Lauderdale. He could not talk with me until late that evening. He said repeatedly: "I can't believe they terminated you."

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209. Even though I did not want to retire, I realized that I was being forced to retire. I had planned on entering the DROP program in 16 months.
210. My reason for retiring was very limited and specific. It was merely to attempt to minimize the damage being unfairly done to me. If I were to retire directly from the school district, I could maintain my health insurance at a teacher's rate. That was more than I was paying as an administrator, but certainly less than Cobra or retaining insurance on my own.
211. I had no idea when I would find any job after the attacks on my character and my abilities that were constantly in the media fed by the school board.
212. Headlines on September 4th were "Two Heads Roll in School Scandal." The school board got their scapegoat and their pound of flesh.
213. Cheryl Allen saw me in the hallway and apologized for the headlines. She said she did not know who called the newspapers. It was clear that someone, with inside knowledge called the papers, while I was still agonizing about my decision.
214. I was not eligible to retire without a substantial penalty to my pension benefits, but I retired anyway and took the penalty, which means I will never collect the full amount.
215. I had health issues, as a direct result of the acute, unrelenting stress and constant drubbing I was taking in the press and by the school board.
216. I had to retire to try to preserve my health.
217. I wrote that I was retiring "under duress," on my exhibit A, the district's separation form.
218. Cheryl Allen said that Dr. Burke would only let me retire if I took those words out, and that I could stay until the end of the month only if I took out the words "under duress."
219. With no real choice or fair opportunity to decline, I removed "under duress."
220. I consulted a local attorney, A.B. Maloy, upon the recommendation of Mark Wilson, the prosecutor, who was appalled that I had been forced out.
221. I was not able to consult with her until after I submitted the time-required decision that I would retire or be terminated. She gave no advice other than her offer to attempt to negotiate with the School Board, which was not one of the options provided to me.

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222. I remained at the district office until September 30, 2009 with full access to the accounting software. That usually is not the scenario for an employee deemed to be "incompetent."
223. Dr. Joe Burke never met with me yet he signed my final evaluation on October 1, 2009 and stated I have performed the essential functions of a finance director. There was no mention that I was "incompetent" or that my performance was lacking in any way.
224. I would not have been allowed, if incompetent, full access to all of the accounting records until the end of September, 2009.
225. I would never again put my mental, physical and financial well being in jeopardy, to officially report wrongdoing to an employer. The way I was treated, in 2009, by the Monroe County School Board, has destroyed much of my health, my finances, my reputation and my ability to achieve success in my profession as a CPA.

FURTHER AFFIANT SAYETH NOT.

[original signed]

Katherine Reitzel/Affiant

NOTARY CERTIFICATE

Sworn to and subscribed before me this 20th day of November, 2013 by the above signed, Katherine Reitzel who is Personally Known _____ OR Produced _____ as Identification.

[original signed]

Notary Public

[seal]