

Date: July 06, 2009

To: Federal Department of Labor - Taft-Hartley Pension Funds Division

Subject/Compliant: Fraud and Misappropriation/Theft of Pension Funds at the Screen Actor Guild Producer Pension and Health Plan in Burbank, CA

Department of Labor; To Whom it My Concern:

I was informed by knowledgeable people of Taft-Hartley Pension Funds to send the Department of Labor my information regarding Fraud and Misappropriation/Theft of Pension Funds occurring at the Screen Actor Guild Producer Pension and Health Plan, located in Burbank CA.

Some of the important fraudulent information I have to share for your investigators is as follows:

The SAG's Producer Pension and Health Plan, subsidiary of the Screen Actor Guild, located at 3601 West Olive Ave. Burbank CA 91510. I'm currently suing SAG PPHP for Wrongful Termination. Retaliation. Intentional Infliction of Emotional Distress, and more. This case has been pending arbitration for 3 years, and went to trial at the Los Angeles County Arbitration on Monday, February 2nd, which was arranged and paid for by SAG and their Law Firm, is now going through the appeal process.

I was terminated for bring to the attention of SAG's Controllers the miss-appropriation of company funds by the CIO Nader Karimi and CEO Bruce Dow, with extensive supporting documentation. For example, the CIO paying over \$140,000.00 to a friend's Consultant Company, falsifying documents, hiring an insurance company where the CEO wife is the VP (a major conflict of interest). His wife receives bonuses/commissions for SAG's major insurance account, which the money goes back into the CEO and wife bank accounts.

SAG CEO Bruce Dow wife is named Sharman Dow. Sharman currently is a Senior Vice President for USI Insurance Services, a division of Goldman Sachs. They have California offices in Irvine, Woodland Hills. Petaluma. San Diego, San Francisco, and Stockton.

They sell various types of Commercial Policies, i.e., Workers' Compensation. Commercial Property, General and Miscellaneous Liability Coverages, Professional Liability, Automobile, Umbrella and Employee Benefits, Group Health, 401(k). Life Insurance. and Mal-Practice.

Sharman Dow brother Michael Bugbee is what is referred to as a phantom employee at SAG (his position is called Communications Manger). He has been on SAG's payroll, pension plan, and full healthcare coverage for about 12 years now. but never is seen or worked at the SAG Offices.

Bruce Dow first wife was named Mary. owned a Claims Audit Company (under her maiden name that SAG paid to audit their health claims. At some point and for some reason, SAG eventually brought this work in-house. The person to speak to about this is named Annette Reed who worked in that department.

Another major hit to the SAG Pension Plan Funds was paying for services of a close friend of the CIO, which came out of the approved Projects Budgets. This person name was Steve Hecker, which he had absolutely no involvement what-so-ever in any of the Board approved projects or budgets. Based on Project Management, this appears to be a financial fraud issue based on project funds accountability.

When this was brought to the SAG Controllers attention, she was very nervous about the magnitude of these issues and compliant, which again had supporting documentation. Plus there are much more in the compliant. We paid Steve Hecker over \$140,000.00, and around \$250.00 an hour, which he stated was a discounted rate from his normal \$350.00 an fee, due to his friendship with the CIO. His charges were applied across multiple projects he was not involved in; this was a clear misappropriation of funds, due to this person non-involvement in these projects, which paid for all his invoices.

The CIO Nader Karimi hired another company he had a close relationship with called RCM Technology to Project Manage an existing project that already had an in-house Project Manager. RCM Technology had an approved spending budget between \$50,000 - \$100,000.00 maximum. The CIO end up spending \$1,562,000.00 of the Taft-Hartley Pension Funds money, well over a million and half dollars, which no one was aware of but me, due to several of the invoices coming across my desk.

Another close friend of the CIO was hired as a Project Manager named Yalda Matsliz. who didn't have an actual company or DBA license to submit to HR for this newly created position. The CIO Nader Karimi came by my office one night looking for another Consultant Business Company License or contract to copy for HR and the Accounting Department who ask for it before she could start that following Monday. The bogus/fake company created that night by the CIO was called Basix.

Also, during this time the CIO took on another opportunity to purchase more expensive software at a reduce price of course, from a business acquaintance from Northern California. This software was to help Yalda and SAG manage their projects. However, this software was never discussed, demo'd, or evaluated before the purchase was made. No RFP/RIF were sent out for a new software request/purchase to other Vendors to compete for the business, which is a major contradiction in SAG or any other company business practice.

Finally, based on the CIO Nader Karimi directions, during Price Waterhouse and Cooper (PWC) audits, everything was setup/prepare in advance to only provide limit information in certain areas only. If the young, sometimes very young Auditors try to pry for more information, we will use our vast experience to guide them into a different direction with much success. Audits are very easy to pass for any major Taft Hartley company in SAG's position because you are aware of what type of information they need and you prepare before they arrive. These audits were not a surprise or unscheduled, and all information, documentation, and scripted feedback from employees were prepared from advanced questions.

During these audits you could not speak about any possible budgeting issues, or just twist the truth. Anything different than that, you will be going against SAG's direction and unwritten policies.

During the trial my Lawyer asked to impeach the CIO Nader Karimi testimony at least 3 times due to lying on the stand, with my Lawyer having valid proof in hand. But the SAG paid Arbitrator, chose not to impeach his testimony.

With many of SAG's members struggling to maintain some levels of health coverage (which is rise frequently) and pension, all this while the CEO and CIO are wrongfully spending and profiting/benefiting from the SAG Taft-Hartley Pension Plan Funds; just like so many other unethical corporate CEO's and Sr. Executives.

Please contact me if you would like to follow up on this interesting but true story of SAG's Executive greed and the Whistle-Blower being retaliated against for bring this to light.

I look for to hearing from you, and following your investigation into these very true allegations and more.

Sincerely,

Gary Mathis