

# EXHIBIT 7

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## Selectmen: Former trustees misappropriated funds

By Robert Slager  
[warehamobserver@aol.com](mailto:warehamobserver@aol.com)

The board of selectmen has officially accused the former library board of trustees of misappropriation of funds, claiming the former membership illegally transferred donations and bequests left for the Wareham Free Library into a private library foundation they created in February in order to finance the private Spinney Memorial Library project in Onset.

In response to a lawsuit filed against them by the former library board in Plymouth Superior Court in August, selectmen filed a counterclaim in U.S. District Court on Thursday, accusing the former trustees of financial impropriety. Selectmen say the former trustees gave \$75,000 of funds intended for the town's public library to the Spinney Memorial Library Building Committee.

"The counter claim is asking for what we've been seeking all along," said Brenda Eckstrom, chairman of the board of selectmen. "The accusations of the counterclaim are based in part in part on what the trustees have reported to the media. These are the same allegations that we have been making to their counsel since their refusal to cooperation."

Eckstrom said the town is primarily concerned that funds left for the Wareham Free Library are used exclusively for that purpose.

"The court will now decide if they have acted in an illegal manner," Eckstrom said.

Priscilla Porter, chairman of the former library board, admitted during an interview with Observer a few weeks ago that the former trustees transferred funds to Spinney but claimed it was proper because Spinney was originally conceived as a branch of the Wareham Free Library.

However, the Observer has a press release for a Spinney fund-raising benefit sent in June in which the trustees state the library will be built and operated exclusively through private donations. Other former trustees have made public comments in recent months echoing that sentiment.

In their counterclaim, selectmen wrote "The Spinney Memorial Library is intended to be built as a privately owned and operated Library." Therefore the former library board transferred public funds into a private foundation, which in turn gave money to a private entity, according to selectmen.

Porter told the Observer a few weeks ago that the Spinney was always intended as a branch of the library and that information in the press release was simply miscommunication on the part of library supporters. The attorney for the former trustees maintains that Spinney is still intended to be part of the Wareham public library system.

However, state law specifies that any money donated or bequeathed to a public library can only be used for that specific library. Giving such funds to a future branch of an existing library is not allowable.

Attorney Phillip N. Beauregard, who is representing the former board of trustees, said he was shocked by the allegations in the selectmen's counterclaim.

"There is a series of very serious allegations," he said. "Some that suggests that there have been stealing and misappropriation. It's odd because public library trustees in the Commonwealth of Massachusetts are people that have taken their positions for good reason. They have good backgrounds. They don't earn any money by serving as trustees. For them to be accused of near criminal type acts when there appears no factual basis is truly odd."

Beauregard reiterated the position of the former trustees that they are a private board and have the authority to use donations to the library as they deem appropriate.

"Donations made to the Wareham Free Library were, in fact, made to the trustees," Beauregard said. "The money was given to them and intended to be used for whatever library function the trustees wanted. If people wanted to donate funds specifically for the public library, they would have sent those donations directly to the town."

Beauregard said the Spinney Library has always been intended to be a branch of the Wareham Free Library and as such, is a permitted venue for fund allocation by the trustees.

When asked why the former trustees have publicly stated the Spinney project would be completely funded by private donation when their lawsuit states otherwise, Beauregard called it a matter of semantics.

"When the Spinney project was first proposed, selectmen signed a transition agreement authorizing it as a future branch of the Wareham Free Library," Beauregard said.

When informed that Spinney would still need to be accepted as a public library by Town Meeting voters, Beauregard called it just a part of a long process.

With the town in deep financial trouble, there is no guarantee voters will support a second library when the Wareham Free Library had its budget reduced at Spring Town Meeting.

**If the selectmen are successful in proving their counterclaim, the former library board could face indictments for allegedly misappropriating public funds.** The former trustees may also have to explain to private donors of the Spinney library why they publicly claimed the project would be private when they believed otherwise.

The dispute between selectmen and the former trustees began in July, when selectmen, under the advice of town counsel, asked the former library board to re-apply for their positions. The selectmen said the traditional appointing method used by the trustees has no basis in state law or within the Town Charter. Selectmen also requested that the former trustees turn over all of their financial documents. The former trustees refused, claiming they were a private board overseeing a hybrid public/private library and filed a lawsuit against the selectmen, claiming their civil rights had been violated. The former trustees are seeking declaratory judgment to have them reinstated.

Selectmen have begun the process in replacing the former library boards. They have received several applications from residents and will begin the interviewing process shortly.

Beauregard said in his 35 years of practicing law, he has never encountered a situation with so much venom coming from town officials.

"This isn't about what they claim it is," he said. "There is something else going on here."

Beauregard declined to elaborate.