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JOHNSTOWN

Area nonprofit helps the blind & disabled — & nets millions in the process

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They offer monthly dances, annual Halloween parties with DJs, visits to Idlewild, picnics at Duman Lake and trips to Altoona Curve baseball games.

Tara Bosserman, director of operations for the Cambria County Association for the Blind and Handicapped, said she and her organization also host a Christmas dinner complete with gift-giving and a stopover by Santa Claus.

“When people say it might be too good to be true, it’s not,” she said. “That’s how we’ve always been.”

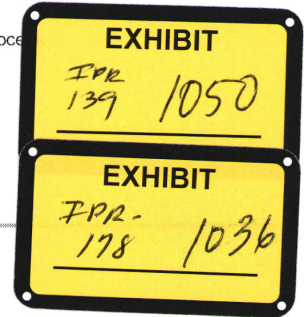
Yet with the nonprofit’s president reporting more than \$2.6 million in compensation from this organization over a five-year period — and “clients” being paid less than minimum wage by an organization that’s amassed net assets exceeding \$50 million — a question exists: Are these kinds of nonprofits serving the disabled, or are the disabled serving these nonprofits?

In other areas this question has led to lawsuits and U.S. Justice Department inquiries. In some cases these suits and investigations led to the shutdown of sheltered workshops for civil rights violations.

“Its intention (sheltered workshops) was really good,” said Cary Griffin of Griffin-Hammi Associates, a Montana-based consulting firm that specializes in serving people with disabilities by providing consultation in community rehabilitation improvement, job creation and job site training. “The idea was that you were to go into a sheltered workshop, you go get some training, and then you go out and get a job.

“It really got out of control, I think,” Griffin added.

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The workers bend and assemble hooks from raised platforms outlined with the yellow paint characteristic of manufacturing operations.

These hooks are sold for use in mining operations overseas, and the workers are the 79 sheltered workshop employees, aka “clients,” at the nonprofit Cambria County Association for the Blind and Handicapped’s 85,000-square-foot facility in Ebensburg. They are men and women of various disabilities who work in a setting likened by management to family.

“That’s how we’ve always been,” said Tara Bosserman, the daughter of nonprofit President Richard Bosserman.

An undisputed aspect of the Cambria County Association for the Blind and Handicapped is its meteoric rise — a success story even more remarkable considering the local economic climate.

The exodus of blue-collar factory employment in Johnstown and across Cambria County is well-documented history. The city was hit by its third flood in 1977 and, around that same time, lost steelmaking jobs as markets were flooded with cheaper foreign supplies. More recently the area job market suffered as defense contracts dried up.

The association, meanwhile, grew and flourished amid all this turmoil with little fanfare.

“We’ve always been sort of a quiet place,” Tara Bosserman said.

The nonprofit dates back to the late 1920s during the Coolidge administration. Its promotional literature states that its formation came at the behest of a local Lions Club, which wanted Cambria County to have its own branch of the Pennsylvania Association for the Blind. Space for workshops was rented in the old Chestnut Street school in Johnstown before a permanent headquarters was purchased at 301 Vine St.

Blind employees, according to this literature, were taught to weave rugs, make chairs and use sewing machines. Products were sold in a small store to help make the association as self-supporting as possible. The nonprofit changed its name and mission in 1968 to include not only the blind, but also those with other disabilities. It became the Cambria County Association for the Blind and Handicapped.

Richard Bosserman, who’d been partially blinded in a hunting accident, took the reins around this time.

In the 1970s, according to the nonprofit's brochure, he "aggressively pursued institutional contracts to supply hospitals and government agencies with everything from food service kits to pillowcases and mops." The Ebensburg division opened in 1974 with a new emphasis on creating cable hooks and hangers — products now sold by the millions for use primarily in mines overseas.

"Our mining (production operation) has just really blossomed," Tara Bosserman said, noting that employment soared from 15 to more than 400 under her father's tenure. "As a company we've been very blessed through a lot of hard work."

Total revenue for 2014-15, according to the nonprofit's 990 form filed with the IRS, was nearly \$15 million. Net assets were listed at more than \$51 million.

"(The association) has become one of Cambria County's leading international exporters," boasts the nonprofit's literature, which also notes its top-10 ranking as a work center by the National Accreditation Council for Blind and Low Vision Services. "We ship our products to over 1,000 mines in 20 countries around the world."

These sales have made Richard Bosserman the second-highest paid nonprofit executive in Cambria County: His \$546,259 in compensation for the 2014-15 fiscal year was second only to the chief officer of Conemaugh Health System. Conemaugh has since become a for-profit entity.

Five others in management also made more than \$100,000 annually. This includes Tara Bosserman.

The nonprofit's 990 states that the organization obtains surveys from professional compensation companies such as the law firm of Smith & Downey to set wages and benefits.

Kotzan CPA & Associates partner Kim Dorchak — who completed the nonprofit's 990 forms — said these compensation surveys "and other employee-related information beyond the disclosure requirements of the Form 990 are not made available to the public under the organization's practice."

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Board members have also done business of their own with the association.

Reportable compensation for attorney Kevin Persio, who provides legal services, totaled \$29,000 for the years 2010-11 through 2015-16. The board's first vice chairman, Byron

Custer III, an investment adviser with Wells Fargo, had reportable compensation totaling \$218,000 for this same time period, according to 990 forms.

Payments attributed to John Boderocco, former president of H.F. Lenz Co. and JARI board member, eclipsed both of those figures combined.

Six 990 forms of the Cambria County Association for the Blind and Handicapped show that Boderocco, while a member of the board, had more than \$1.2 million in reportable compensation from the nonprofit. In 2013-14, for instance, it is listed at \$831,000.

Boderocco, however, said the numbers are misleading.

“I think all of that would be (attributed to) architecture and engineering” services provided by his company, he said, adding that H.F. Lenz assisted the association with a recent \$12 million renovation at its Johnstown facility along Central Avenue and across from the Greater Johnstown High School.

“None of (the money) went to me personally. All of it went to the company.”

Asked why H.F. Lenz was not listed under “Section B: Independent Contractors” on any of the 990 forms for these years, he responded that H.F. Lenz is considered “professional services,” not a contractor.

Dorchak said she understands why these numbers would be jarring to people.

“Your first thought is, ‘Oh my God, you’re paying John Boderocco \$800,000?’ It is deceiving,” she said.

According to Dorchak, the payments were listed to Boderocco and not his company in the interest of being transparent with the IRS.

“We chose to show it as compensation to him because he owns the company. You kind of want to know, ‘Are they doing business with their board members?’ That connection was important,” she said.

“(Nonprofits) want to have board members that are local community leaders. There’s nothing wrong with that, but you want to be careful.”

Dorchak added that she may change how and where she discloses business relationships on 990s in the future so that the nature of these payments are more clear.

Other board members as of 2015-16 — none of them paid — were Karen Azer, Dr. Charles G. Shea, Dr. Thomas J. Bach, Dr. George S. Ashman, Byron K. Custer Jr., Carrie Green, Cambria County President Judge Norman Krumenacker III, Charles Neuhoff, Michael Parrish, Dr. David Stefanik and Gail Stotler. Stefanik and Shea note in the nonprofit's conflict of interest statements that they have children working for the association, and Bach wrote that his brother works there.

Officers were: Gary Jubas, second vice chairman; Christopher Martella, secretary; and Cambria County District Attorney Kelly Callihan, treasurer.

The 990 forms note that the nonprofit had four people listed under "business transactions involving interested persons." They are Tara Bosserman; Stephanie Smith, daughter of Richard Bosserman and salaried at \$89,381; Patrick Krumenacker, son of the board member, making \$38,096 annually; and Kory Hughes, "son of key employee," receiving \$96,444.

As for grants and contributions, 990 forms show that the association received more than \$1 million between 2010 and 2015. Tara Bosserman noted that they do not hold fund drives.

"We don't solicit any donations," she said.

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Some believe these services should be complemented with more of the self-empowerment and career advancement opportunities being offered by other nonprofits across the nation.

"(It's) a process of transformation," said Julia Barol, an advocate for the disabled and president of the Association of People Supporting Employment First's Pennsylvania chapter. "There's a lot of push for it in this state."

One of the changes eyed by Barol: section 14(c) of the federal Fair Labor Standards Act.

"It's kind of an archaic piece of the law from 1938," Barol said. "It allows people to be paid below the minimum wage."

The Cambria County Association for the Blind and Handicapped pays many sheltered workshop employees less than minimum wage. It is among approximately 100 organizations across Pennsylvania that do this using a waiver certificate authorized under section 14(c) of the federal Fair Labor Standards Act, which permits substandard wages for disabled people.

Locally, Somerset County Workshop also holds one of these certificates, according to an online listing from the U.S. Department of Labor. This allows subminimum wages to as many as 84 employees there.

Goodwill Industries of the Conemaugh Valley has an application pending for one of these certificates.

Low pay for laborers would be a problem for these organizations if they were selling to the federal government. The U.S. Department of Labor website states that President Barack Obama signed an executive order in 2014 to raise the minimum wage to \$10.10 for all workers — including those with disabilities — on covered federal contracts.

The Cambria County Association for the Blind and Handicapped does not have federal work at this time. Tara Bosserman said contracts to produce headgear for gas masks sold to the U.S. Defense Department and insulation blankets for the Boeing Co. are no more.

But her nonprofit is among 75 member agencies selling to Pennsylvania's government via UniqueSource, a marketing and sales organization that connects organizations with handicapped employees with opportunities to sell to the commonwealth. Safety vests made by workers in Johnstown and Ebensburg are sold to the state Department of Transportation, aka PennDOT, under this arrangement.

A review of 990 forms for UniqueSource's other agencies listed found that the association is the nonprofit most generous to its management. Richard Bosserman was found to be the highest-paid of all nonprofit executives selling through UniqueSource. Foundation Center provides an online database of 990 forms filed by nonprofits.

His association, however, was not the largest by far. The biggest — Goodwill Keystone Area of Harrisburg — paid its president a salary that was \$245,000 less than Richard Bosserman. It has 3,653 employees, which is approximately 3,300 more than the Cambria County Association for the Blind and Handicapped.

The 151 sheltered workshop employees at the Cambria County Association for the Blind and Handicapped received approximately \$2 million in wages and benefits in 2015. This breaks down to roughly \$13,245 per individual. That's about \$2,000 less than the salary of someone who makes minimum wage in Pennsylvania.

An audit shared by the nonprofit shows that, of that \$2 million figure, nearly all of it — \$1.9 million — was subsidized in the form of Medicaid and Medical Assistance Program subsidies.

This means that the association paid approximately \$81,000 from its own funding sources for this labor, which breaks down to \$536 annually per individual in the sheltered workshop.

According to Kait Gillis, director of communications for the Department of Human Services, the Cambria County Association for the Blind and Handicapped is enrolled as a Medicaid provider and receives payments for the training and assistance it provides to workers with disabilities.

“This agency provides a single service in the workshop,” she said. “The service is called community participation and must include opportunities for the workers to be in the community for some of their time in the agency.

“These are payments for Medicaid services provided to recipients. Cambria County Association for the Blind and Handicapped is enrolled to provide . . . waiver services and bills for the services they provide.”

Citing privacy concerns, Tara Bosserman did not agree to an Our Town request seeking contact information for employees or their family members.

“Families that have sought out media inclusion have done so independently from our agency,” she said. “We have supported any families that have chosen to take their story and employment choices to the media.”

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It’s important, Tara Bosserman said, to recognize that the value of her nonprofit extends well beyond job opportunities.

“It’s a great place,” she said. “It’s a place of employment, but it’s more than that.”

According to Tara Bosserman, the nonprofit also serves approximately 300 people in the community through the Special Services for the Visually Handicapped program. This means helping eligible blind locals by shopping for them, assisting with household repairs and providing transportation, among other services.

“Our programs aren’t just about employing people here, but reaching out to the community as well,” she said.

Other services provided by the nonprofit include free eye screenings for local students at school and free transportation for workers in rural northern Cambria County.

Still, the low wages and segregated environments have led some disability advocates to the conclusion that sheltered workshops have served their purpose and should be laid to rest.

Barol is among them. She said she is “sick to the stomach” when she sees the disparity between those making less than minimum wage and those making six figures off the labor of the people they have pledged to serve.

According to Barol, individuals with disabilities deserve a better shot at private-sector employment in nonsegregated settings.

“I know it can be done because I’ve seen organizations do it,” she said. “It’s a whole paradigm shift, but the techniques are not new.”

(To read about what’s being done in other areas for people with disabilities, see part two of this series in next week’s edition of Our Town.)