

Response to P. Boyd email dated 11/12/18.

I hope that you realize that the National Kidney Foundation (“NKF”) is not interested in and cannot receive used household items; the first part in the process that will ultimately generate funds for the NKF consists primarily of calls by solicitors who are employees, not volunteers, of NKS to potential donors. These employees receive salaries and/or wages. Majority of National Kidney Services employees/solicitors are elderly individuals or individuals who live with disability. National Kidney Services employs on average over 100 individuals in this capacity. Therefore, the largest subtraction from gross receipts are salaries, wages and payroll taxes paid to or on behalf of solicitors, employees of National Kidney Services. As per Form 990 available on the National Kidney Services website and as discussed in my previous email to you, the largest portion of Gross Sales of Inventory in the amount of \$1,016,257 is the amount of \$737,685 comprised of salaries, wages and payroll taxes. If you deduct \$737,685 and **the grants to the NKF in the amount of \$269,212** from the amount of Gross Sales of Inventory, it is hard to believe that anybody would consider the balance in the amount of \$9,360 that is used for other legitimate and necessary expenses of National Kidney Services, excessive.

The solicited used household items donated to National Kidney Services have to be collected from donors’ residences and sold to a third party that will pay National Kidney Services for these donated goods to generate funds for the NKF. Based on an agreement with National Kidney Services, Carolina Value Village, Inc. that operates thrift stores in North Carolina collects the donated goods from donors’ residences and sells them in its thrift stores. Only by this process can cash funds be generated and donated to the NKF.

The employees/drivers of Carolina Value Village, Inc. collect and transport donations based on an agreement between National Kidney Services and Carolina Value Village, Inc.

The employee of Carolina Value Village, Inc. who, as per your email, was “charged with trafficking heroin,” was not collecting donations from donors’ residences. He worked only “warehouse duty” and delivered merchandise among thrift stores operated by Carolina Value Village, Inc. As per available information, this individual was convicted in 1994, when he was 23 years old, for “indecent liberties.” When Carolina Value Village, Inc. learned about his possible involvement with heroin trafficking, he was dismissed immediately. Please keep in mind that this is the first incident of this kind during the 30 years relationship with the NKF.

No donated item was stolen. This was only an attempt to steal. The individual was caught by an employee of National Kidney Services, reported to authorities, immediately discharged, and the bicycle was retrieved.

National Kidney Services is reviewing together with Carolina Value Village, Inc. the process used by Carolina Value Village, Inc. in screening its potential employees the process will be assessed and possibly revised to minimize potential problems in the future.