Official House Resolution and Board Comments Attached

Resolution 232 — Forensic Audit to Rebuild Trust in the ADA and Its Board of Trustees to Strengthen Member Retention and Growth

Author: Dr. Steven Saxe, Delegate

IF YOU VOTE YES

A YES vote supports the action requested in the resolving clauses. This resolution directs the ADA to conduct an independent forensic audit covering all financial activities of both the nonprofit and for-profit arms of the Association. It establishes a Forensic Audit Selection Task Force made up of past presidents and treasurers who served before 2020, ensuring independence from current management. The audit would examine major transactions, contracts, property sales, vendor relationships, and any potential conflicts of interest. The full findings would be released to members without redaction.

IF YOU VOTE NO

A NO vote accepts the current lack of independent financial verification and relies solely on internal assurances. It preserves opacity, risks further mistrust among members, and fails to address growing concerns about accountability. Saying NO signals to members that transparency is optional, even after more than $140 million in reserves have been depleted without clear public explanation.

SUMMARY

This resolution is not about accusation or blame. It is about restoring confidence in how the ADA manages its resources and decisions. A forensic audit is a professional tool used to clarify facts, identify weaknesses, and confirm alignment with the ADA's mission and member intent. It strengthens the Association by showing that oversight and integrity are non-negotiable. Every organization that handles large member funds owes this level of transparency to the people it serves.

Board of Trustees — No Comment Received

The Board did not issue a recommendation before publication. Delegates should understand that silence does not resolve the concern. When transparency is requested and no answer is provided, it becomes the duty of the House of Delegates to insist on clarity and accountability.

Why Delegates Should Vote Yes

A forensic audit is not a criminal investigation. It is a structured review to verify facts, correct mistakes, and ensure future compliance. It serves four essential purposes:

- It identifies financial errors or mismanagement so they are not repeated.
- It confirms that spending aligns with the ADA's mission, bylaws, and member intent.
- It safeguards the Association against inurement, where individuals or vendors may have received excessive benefit even without intent.
- It restores confidence through independent verification, not internal assurances.

Supporting a forensic audit demonstrates strength, not suspicion. It protects the Board as much as it protects the membership. Refusing one, however, creates the opposite perception, raising doubts rather than closing them. The true cost of losing member trust far exceeds the cost of performing the audit. If more than $140 million in reserves were spent without full transparency or consensus, delegates have a responsibility to ensure an impartial review. This is not about criminal suspicion; it is about responsible governance, sound optics, and the restoration of confidence in our Association's leadership.

TALKING POINTS

- A forensic audit promotes transparency, not accusation.
- It prevents future mismanagement by identifying past errors.
- It confirms that ADA spending supports the mission and member intent.
- It ensures compliance with nonprofit standards and prevents inurement.
- Independent review builds credibility that internal assurances cannot.
- Transparency costs less than the loss of trust.
- Supporting this audit strengthens both the Board and the profession.
- Saying YES rebuilds confidence. Saying NO preserves doubt.

Prepared by Dentistry in General Advocacy Coalition
https://dentistryingeneral.com/digac

Resolution No. 232 New

Report: N/A Date Submitted: 10/04/2025

Submitted By: Dr. Steven Saxe, delegate, Nevada

Reference Committee: A (Business, Membership and Administrative Matters)

Total Net Financial Implication: $2,000,000 Net Dues Impact: $23

Amount One-time: ______ Amount On-going: ______

ADA Strategic Forecast Outcome: Tripartite: Promote Tripartite stability, success, and future growth.

FORENSIC AUDIT TO REBUILD TRUST IN THE ADA AND ITS BOARD OF TRUSTEES TO STRENGTHEN MEMBER RETENTION AND GROWTH

The following resolution was submitted on Saturday, October 4, 2025, by Dr. Steven Saxe, delegate, Nevada.

Background: This resolution calls for an independent forensic audit to promote transparency, rebuild trust, and strengthen confidence in the American Dental Association among new and existing members. The ADA cannot afford inaction. The cost of continued uncertainty and eroding trust will far exceed the cost of an audit. A transparent and independent review is essential to restore credibility, rebuild member confidence, and clear the good names of current and past trustees, officers, and staff members. This effort is not only an investment in financial accountability but also in the ADA's long-term reputation and membership growth. Demonstrating openness and integrity can serve as positive marketing to the profession, showing that the ADA values honesty, responsibility, and transparency. Publicly committing to a full forensic audit is an opportunity to replace years of doubt and financial decline with a renewed image of integrity and trust.

A forensic audit is a specialized financial review that goes beyond routine accounting or compliance checks. It examines financial records, contracts, and decision-making processes to identify errors, potential fraud, conflicts of interest, or misuse of assets. Forensic audits also assess governance and control systems to ensure accountability, transparency, and compliance with nonprofit and tax-exempt regulations. Unlike standard audits, they focus not only on verifying numbers but also on determining how and why financial decisions were made.

The ADA's financial position has declined dramatically in recent years, with reserves dropping from over $220 million to approximately $60 million, a reduction of more than $140 million, that was spent, in part, on software implementation that has not worked properly. Since budgetary authority was transferred from the House of Delegates to the Board of Trustees, members and delegates have had limited visibility into key financial decisions, including the sale of the ADA building, major vendor contracts, investments in various companies, and the purchase of businesses by both the nonprofit and for-profit arms of the Association.

An audit of the Association Management Software (Fonteva/Salesforce) implementation was completed, but as of the writing of this resolution it has not been released to the membership or the House of Delegates. Even if the internal audit is released later, partial or redacted reports cannot replace a full, independent forensic audit. The lack of transparency surrounding that audit has intensified concerns about financial oversight and accountability within the Association, and the full audit report should be released to the membership and the House of Delegates without redaction.

In addition to rebuilding member confidence, a comprehensive forensic audit would also serve as a compliance safeguard.

This resolution also reinforces the ADA's commitment to the highest standards of nonprofit financial accountability and compliance. Maintaining robust audit oversight helps ensure proper stewardship of assets and continued adherence to all applicable state and federal requirements. Ensuring full transparency and accountability will protect the Association's reputation and reinforce confidence in its leadership.

A five-year forensic audit covering both nonprofit and for-profit operations is expected to require several thousand professional hours. That is a modest investment compared with the scale of recent financial losses and the importance of restoring member confidence. A competitive, transparent bidding process and exclusion of current management from oversight will help ensure efficiency and prevent inflated costs.

Resolution

232. Resolved, that the Board of Trustees be urged to establish a Forensic Audit Selection Task Force to identify, retain, and oversee an independent forensic audit firm to perform a comprehensive forensic audit of the American Dental Association, and be it further

Resolved, that this Task Force be composed of six members, chosen from those who served prior to 2020, including three past ADA presidents and two past ADA treasurers from the 2014–2015 to 2019–2020 terms, together with the current ADA treasurer, and that this Task Force shall operate independently of current ADA leadership and staff, and be it further

Resolved, that the forensic audit shall include, but not be limited to, the following areas:

- All ADA investments, acquisitions, and divestitures made by both nonprofit and for-profit entities.
- The sale of ADA properties, including the ADA building, and all related approvals, contracts, and beneficiaries.
- The Fonteva/Salesforce software purchase and implementation, including vendor selection, recommendation source, and payments made.
- Any evidence of inurement (defined as any part of the Association's earnings or assets unlawfully benefiting private individuals such as officers, trustees, staff members, or their immediate family members, business partners, or affiliated entities).
- Consulting fees, vendor payments, or commissions, including who authorized them and any personal or financial relationships involved.
- All Board and staff votes, recommendations, or advisory reports that led to major financial decisions or losses.
- Any conflicts of interest or relationships involving ADA staff, officers, trustees, volunteers, or their immediate family members, business partners, or affiliated entities, extending back up to ten years if relevant to transactions under review.
- All asset transfers, shared expenses, and revenue flows between the ADA's nonprofit and for-profit entities.
- The business dealings, governance structures, and financial performance of all for-profit arms and subsidiaries.
- Executive compensation, bonuses, severance packages, and deferred compensation plans during the audit period.
- Insurance or legal settlements paid on behalf of ADA or its subsidiaries.
- Any other areas or transactions that the independent forensic firm deems relevant to its findings or necessary for completeness.

and be it further

Resolved, that the complete forensic audit, including all findings, recommendations, and supporting documentation, shall be released in full to all ADA members and made readily accessible through the ADA member website, accompanied by a clear and concise summary for ease of understanding, and that the complete Association Management Software (Fonteva/Salesforce) audit report already completed be released in full to the membership and the House of Delegates without redaction or omission.

BOARD RECOMMENDATION: Received after the August 2025 Board of Trustees meeting.