

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
BEFORE THE SECRETARY OF THE COMMONWEALTH

PROTHONOTARY

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Department of State

Commonwealth of Pennsylvania, :
Bureau of Charitable Organizations :
 : Docket No. 0022-98-12
vs. :
 : File No. 11-98-10371
Boyers Pond – Shekinah Fellowship – :
Angels Of East Africa, :
Respondent :

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Corporations and Charitable Organizations, (“Bureau”) and the Boyers Pond – Shekinah Fellowship – Angels of East Africa (“Respondent”) stipulate as follows in resolution of the above-captioned case.

JURISDICTION

1. This matter is before the Secretary of the Commonwealth (“Secretary”) pursuant to the Solicitation of Funds for Charitable Purposes Act (“Act”), Act of December 19, 1990, P.L. 1200, No. 202, *as amended*, 10 P.S. §§ 162.1-162.24.

2. Respondent admits the truth of the following factual statements:

a. The business address for the Respondent is 246 Childers Lane, Central City, PA 15926.

b. At all relevant and material times, Respondent conducted business in the Commonwealth of Pennsylvania as a charitable organization, as that term is defined by the Act.

c. At all times relevant and material to this matter, Respondent was not registered with the Bureau of Corporations and Charitable Organizations to solicit charitable contributions within the Commonwealth of Pennsylvania.

d. At all times relevant and material to this matter, Respondent was not exempt from the registration requirements of the Act.

STIPULATED FACTS

3. Respondent admits that the following allegations are true:

a. Respondent solicits charitable contributions in the Commonwealth of Pennsylvania through direct mail, through appeals made to church congregations and on a website maintained by the Respondent on the internet.

b. Respondent is associated with a website on the internet which has an address of: www.machinegunpreacher.org, which website provides a link for donations to be made to the Respondent and provides for products to be sold by the Respondent.

c. The IRS Form 990 filed by the Respondent with the IRS for fiscal years ending December 31, 2006, December 31, 2007, December 31, 2008, and December 31, 2009, each indicated that Respondent received contributions of at least \$309,000.00 for the applicable fiscal year.

d. On or about June 30, 2011, the Bureau sent to Respondent, via certified mail, a request for information including but not limited to: the total number of Pennsylvania residents that contributed to the Respondent organization since Respondent first solicited in the Commonwealth; and, the total amount of contributions received from Pennsylvania residents since Respondent first solicited in the Commonwealth.

e. Respondent failed to respond to the request for information sent to Respondent by the Bureau on June 20, 2011.

f. Because information requested by the Bureau was not timely received, on August 2, 2011, the Secretary of the Commonwealth issued a Cease and Desist Order directing the Respondent to stop soliciting contributions in the Commonwealth until such time as Respondent became registered or provided the Bureau with information showing that it is excluded or exempt from registration.

g. Respondent has continued to solicit charitable contributions through direct mail, appeals made through churches and on its website after the issuance of the Cease and Desist Order on August 2, 2011.

ACKNOWLEDGEMENT OF REGISTRATION

4. The Commonwealth acknowledges that, having exercised its discretion to accept the financial statements provided by the Respondent for fiscal year ending December 31, 2013 in lieu of an audit, Respondent is registered with the Bureau as a Charitable Organization, which registration will remain in effect until November 15, 2015. In order to maintain its registration for the year following November 15, 2015, Respondent must submit to the Bureau the required payment, completed forms and financial information for fiscal year ending December 31, 2014, by November 15, 2015. Thereafter, required payments, completed forms and financial information must continue to be timely submitted.

AGREED VIOLATIONS

5. The parties agree that by engaging in the activities set forth in paragraph 3, above, Respondent committed multiple violations of the Act including, but not limited to, the following:

a. Violating Section 162.15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by soliciting charitable contributions in Pennsylvania without being properly registered as required by Section 162.5 of the Act, 10 P.S. § 162.5, during the fiscal years ending December 31, 2006, December 31, 2007, December 31, 2008, and December 31, 2009; and

b. Violating Section 162.15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by continuing to solicit contributions in direct violation of a Cease and Desist Order issued by the Secretary of the Commonwealth on August 2, 2011.

PROPOSED ORDER

6. The participants, intending to be legally bound, consent to the issuance by the Secretary of the following Order in resolution of this matter:

FINDINGS BY THE SECRETARY

a. The Secretary finds that:

i. Respondent violated Section 162.15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by soliciting charitable contributions in the Commonwealth of Pennsylvania without first being registered as required by Section 162.5 of the Act, 10 P.S. § 162.5, for the fiscal years ending December 31, 2006, December 31, 2007, December 31, 2008, and December 31, 2009.

ii. Respondent violated Section 162.15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by soliciting contributions in direct violation of a Cease and Desist Order issued by the Secretary of the Commonwealth on August 2, 2011.

ADMINISTRATIVE FINE

b. An **ADMINISTRATIVE FINE**, together with **ADDITIONAL PENALTIES**, in the amount of **THIRTY-THOUSAND-DOLLARS (\$30,000.00)** are hereby levied upon Respondent.

- i. Respondent shall tender payment of the full sum of THIRTY-THOUSAND-DOLLARS (\$30,000.00) with the return of this executed Consent Agreement;
- ii. Payment of the ADMINISTRATIVE FINE and ADDITIONAL PENALTIES shall be by certified check, cashier's check, attorney's check, or money order issued by a usual, customary, and reputable issuer (e.g. U.S. Postal Money Order, Western Union Money Order, etc.).
- iii. The instrument of payment shall be payable to the 'Commonwealth of Pennsylvania' and shall be valid for a period of at least one-hundred-eighty (180) days.

PROBATION

c. The Secretary hereby imposes a period of **PROBATION** upon the Respondent for **NO LESS THAN THREE (3) YEARS**, subject to the following terms and conditions:

- i. Respondent shall maintain its registration with the Bureau in accordance with the Act during each year the terms of Probation set forth below remain in effect.

General Terms of Probation

- ii. Respondent shall abide by and obey all laws of the United States, the Commonwealth of Pennsylvania and the political subdivisions of the Commonwealth and all rules and regulations and laws pertaining to the solicitation of charitable donations in this Commonwealth or in any other state or jurisdiction in which Respondent solicits charitable contributions.

iii. Respondent shall at all times cooperate with the Bureau of Corporations and Charitable Organizations ("Bureau") and any of its agents or employees, and with the Bureau of Enforcement and Investigation ("BEI") and any of its agents and employees, in the monitoring, supervision and investigation of Respondent's compliance with the terms and conditions of this Order, including as part of the monitoring, supervision and investigation of Respondent's compliance with the terms and conditions of this Order any requirement causing the Respondent to submit at their own expense written reports, records and verifications of compliance with the terms and conditions of this Consent Agreement.

iv. Respondent's failure to fully cooperate with or to successfully comply with the terms and conditions of this probation shall be deemed a violation of this Consent Agreement and Order.

v. Respondent shall not falsify, misrepresent or make a material omission of any information submitted pursuant to this Order or as part of the monitoring, supervision and investigation of compliance with the terms and conditions of this Order.

vi. Respondent shall notify the Bureau, in writing, within twenty (20) days of the filing of a legal action against it in any state or jurisdiction pertaining to the solicitation of charitable contributions or of any investigation, action, restriction or limitation imposed by any federal or state authority which is related to Respondent's charitable operations.

Specific Terms of Probation

vii. The ultimate goal of these terms of Probation, is that Respondent will be able, at the conclusion of fiscal year ending December 31, 2017, to present to the Bureau an audit report in which the independent certified public accountant or independent professional accountant is able to render an opinion on whether the financial statements present fairly, in all material respects, the financial position of the Respondent, and the results of its operations and its cash flows in accordance with generally accepted accounting principles in the United States, based on an audit conducted in accordance with the Statements on Auditing Standards of the American Institute of Certified Public Accountants.

viii. Prior to December 31, 2015, Respondent shall provide to the Bureau a REPORT prepared by an independent certified public accountant or independent professional accountant which identifies with particularity, and which recommends specific corrective measures for, those specific areas identified in the Independent Auditor's Report dated November 25, 2014, prepared by Robert J. Tomasic, and those areas identified in the Independent Auditors' Report dated July 1, 2015, prepared by Albanese Sinchar Smith & Co., in which the independent certified public accountants report that Respondent:

- (a) failed to exercise controls over cash sales of merchandise prior to the initial entry of such in accounting records;

(b) failed as a result of a lack of accounting controls to provide sufficient appropriate audit evidence about the amount recognized for cash sales collected by Respondent;

(c) executed only limited accounting controls over expenditures;

(d) failed to provide appropriate audit or accounting records of revenues received outside the United States;

(e) failed to provide appropriate audit or accounting records of expenditures made outside the United States;

(f) failed to record in financial statements the value of real estate acquired by the Respondent at its fair market value at the date of receipt;

(g) lacked internal controls related to revenues received and expenditures incurred;

(h) failed to properly classify net assets as unrestricted, temporarily restricted or permanently restricted;

(i) failed to implement internal controls related to the recording of assets and liabilities;

(j) failed to identify all assets for purposes of the audit;

(k) failed to identify all liabilities for purposes of the audit;

(l) failed to identify all related-party relationships with a material effect on the financial statements;

(m) failed to identify all related-party transactions with a material effect on the financial statements;

(n) proposed unsupported adjustments for prior year financial statements; and

(o) was involved with legally separate organizations, the officers of which, could significantly influence programs, projects or activities of, or the level of services performed or provided by the Respondent.

ix. All corrective measures identified in the REPORT shall require financial information to be recorded in compliance with accounting principles generally accepted in the United States (U.S. GAAP) such that an audit report based upon the financial information could be prepared in accordance with the Statements on Auditing Standards of the American Institute of Certified Public Accountants.

x. On or before December 31, 2016, Respondent shall implement the corrective measures identified in the REPORT and any other measures required by U.S. GAAP such that an audit report of its financial statements for the fiscal year ended December 31, 2017, can be prepared in accordance with the Statements on Auditing Standards of the American Institute of Certified Public

Accountants on the basis of the information to be recorded.

xi. On or before December 31, 2016, Respondent shall undergo an examination performed by an independent certified professional accountant or independent professional accountant for the purpose of establishing a beginning balance sheet such that an audit of fiscal year ending December 31, 2017, will have true, accurate and verifiable, beginning balances for all accounts as of January 1, 2017, sufficient to provide a basis for an auditor to render an opinion on whether the financial statements present fairly, in all material respects, the financial position of the Respondent as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with U.S. GAAP.

xii. Within fifteen (15) days following the close of each of the first three quarters of fiscal year ending December 31, 2016, (i.e. within fifteen (15) days of March 31, 2016; June 30, 2016; and, September 30, 2016), Respondent's chief financial officer shall provide to the Bureau a report, signed by the chief financial officer and chief executive officer, in which the corrective measures set forth in the REPORT, above, are individually listed and explanations are provided as to the specific steps being taken by Respondent and the progress being made to comply with the identified corrective measures prior to December 31, 2016.

xiii. The Respondent's Chief Financial Officer shall state in such reports that all accounting practices of the Respondent are in accordance with U.S. GAAP or shall state which accounts, balances

and applications of accounting principles are not in accordance with U.S. GAAP and shall identify the actions being taken by Respondent to implement U.S. GAAP in those areas such that all accounting practices comply with U.S GAAP by December 31, 2016.

xiv. Successful completion of the period of **PROBATION** shall be evidenced by an audit opinion being submitted to the Bureau for the Respondent's financial statements for fiscal year ending December 31, 2017.

xv. While complying with the probationary terms set forth above, audits of the financial statements for fiscal years ending December 31, 2014, 2015 and 2016 may not meet the requirements of audits conducted in accordance with the Statements on Auditing Standards of the American Institute of Certified Public Accountants; therefore, the imposition of and compliance with the probationary terms, the provision of the required REPORT and the provision of the required quarterly reports set forth above, together with the audit report of the financial statements for each specified fiscal year, will be deemed to be compliant for each specified fiscal year.

xvi. After no less than **THREE YEARS** and the successful completion of the period of **PROBATION**, Respondent may petition the Secretary to reinstate the registration to an unrestricted, non-probationary status. Respondent shall make an affirmative showing that:

- a. Respondent has fully and completely complied with all terms and conditions of this Consent

Agreement; and

b. no action for a violation by the Respondent has been filed by the Commonwealth of Pennsylvania or any state or jurisdiction pertaining to the solicitation of charitable contributions or of any investigation, action, restriction or limitation imposed by any federal or state authority which is related to Respondent's charitable operations during the Probation period or prior to the petition to reinstate Respondent's registration to an unrestricted, non-probationary status.

xvii. Each annual registration held by the Respondent will remain in a probationary status until such time as a petition is granted to change the status based upon Respondent affirmatively showing compliance with the terms of this Agreement.

d. The violation of any term of this Agreement by the Respondent may constitute grounds for additional disciplinary action.

e. Nothing in this Agreement shall preclude the Commonwealth from filing charges, nor preclude the Secretary from imposing disciplinary action or corrective measures, for violations or facts not contained in this Consent Agreement.

CEASE AND DESIST

f. Respondent shall CEASE and DESIST from soliciting contributions both in Pennsylvania and elsewhere during any period in which Respondent is not properly registered with the Bureau, except as provided above. Proof of proper registration shall consist of a copy of a current certificate of registration issued by

the Bureau.

g. Respondent agrees not to solicit charitable contributions in the Commonwealth of Pennsylvania or elsewhere while not being properly registered with the Bureau in accordance with Section 162.5 of the Act, 10 P.S. § 162.5.

h. Being located in the Commonwealth, Respondent agrees not to solicit charitable contributions in any state or country while not being properly registered with the Bureau in accordance with Section 162.5 of the Act, 10 P.S. § 162.5.

i. Respondent acknowledges that soliciting contributions without being registered with the Bureau or without properly renewing a registration on a year to year basis as required, may result in an administrative fine of \$1,000.00, and in an additional penalty of \$100.00 for each day the violation continues, with each day constituting a separate violation of the Act and the penalties for each day accruing in a cumulative manner.

j. Respondent acknowledges that failing to register with the Bureau and failing to renew a registration when required may result in a subsequent registration being automatically suspended until any fine is paid or until the normal expiration date of the registration in accordance with Section 162.17 of the Act, 10 P.S. § 162.17.

k. Respondent acknowledges that no subsequent registration shall be renewed until any fine and any additional payments are paid.

l. Respondent shall not enter into any contract or agreement to employ any professional fundraising counsel or professional solicitor unless that professional fundraising counsel or professional solicitor is registered with the Bureau.

CASE SETTLED AND DISCONTINUED

m. This case shall be deemed settled and discontinued upon the Secretary

issuing an Order approving this Consent Agreement and adopting the terms of this paragraph, together with the Respondent's successful completion of all requirements set forth herein.

ACKNOWLEDGEMENT OF NOTICE AND WAIVER OF HEARING

7. Respondent acknowledges the filing of an Order to Show Cause in this matter.

8. Respondent knowingly and voluntarily waives the right to an administrative hearing in this matter, and knowingly and voluntarily waives the following rights related to that hearing:

- a. to be represented by counsel at the hearing;
- b. to present witnesses and testimony in defense or in mitigation of any sanction that may be imposed for a violation;
- c. to cross-examine witnesses and to challenge evidence presented by the Bureau;
- d. to present legal arguments by means of a brief; and
- e. to take an appeal from any final adverse decision.

AGREEMENT NOT BINDING ON OTHER PARTIES

9. This Consent Agreement is between the Bureau and the Respondent only. It does not bind any other governmental or administrative entity of the Commonwealth of Pennsylvania, including any other bureau within the Department of State.

10. The Office of General Counsel has approved this Consent Agreement as to form and legality; however, this Consent Agreement shall have no legal effect unless and until the Secretary issues an Order approving this Consent Agreement and adopting and incorporating the terms and conditions set forth in paragraph 5, above.

EFFECT OF SECRETARY'S REJECTION

11. Should the Secretary not approve this Consent Agreement, presentation to and consideration of this Consent Agreement and other documents and matters by the Secretary shall not prejudice the Secretary from further participation in the adjudication of this matter. This paragraph is binding on the participants even if the Secretary does not approve this Consent Agreement.

AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES

12. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent and its officers, directors, agents, employees or independent contractors.

13. Nothing in this Consent Agreement, nor in the Order approving this Consent Agreement, shall preclude representatives of the Bureau from referring any information or data produced as a result of this matter to any federal, state, or local agency or governmental unit having jurisdiction over the activities of the Respondent or any officer, director, agent, employee or independent contractor of the Respondent.

ENTIRE AGREEMENT

14. This Agreement contains the whole agreement between the parties; provided, however, that the captions printed in the various provisions of this agreement are for ease of reading only and are not to be interpreted as forming any part of this agreement.

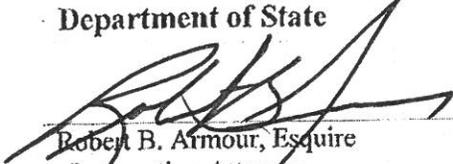
15. There are no other terms, obligations, covenants, representations, statements or conditions of any kind whatsoever concerning this Agreement.

VERIFICATION OF FACTS AND STATEMENTS

16. Respondent verifies that the facts and statements set forth in this Agreement are true and correct to the best of Respondent's knowledge, information and belief. Respondent understands that statements in this Agreement are made subject to the criminal penalties set forth

in 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Commonwealth of Pennsylvania
Department of State



Robert B. Armour, Esquire
Prosecuting Attorney
Department of State

DATED: 09/28/15

Boyers Pond - Shekinah Fellowship -
Angels of East Africa



By:
Title: Pres.
Respondent

DATED: 7/29/2015



IN THE MATTER OF:

**BOYERS POND – SHEKINAH FELLOWSHIP – ANGELS OF
EAST AFRICA**

**DOCKET NO. 0022-98-12
FILE NO. 11-98-10371**

ORDER

AND NOW, this 14th day of October 2015, the foregoing Consent Agreement is hereby approved and the terms set forth in paragraph 6 are hereby adopted and incorporated herein as the Order of the Secretary of the Commonwealth now issued in resolution of this matter.

THIS ORDER shall take effect immediately.

BY ORDER

Pedro A. Cortés

**Pedro A. Cortés
Secretary of the Commonwealth**

For the Commonwealth:

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P. O. Box 69521
Harrisburg, PA 17106-9521

For the Respondent:

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