

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

Commonwealth of Pennsylvania,
Bureau of Charitable Organizations

VS.

National Security Center,
Respondent.



Doc. No.: 0002 -98-04

99-98-01591

PROTHONOTARY
2001 FEB - 1 AM 9:25
Department of State

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and National Security Center ("Respondent") stipulate as follows in settlement 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 of December 19, 1990, P.L. 1200, No. 202, *as amended* ("Act"), 10 P.S. §§ 162.1-162.24.

2. At all relevant and material times, Respondent was registered with the Bureau as a charitable organization, registration number 14249.

FACTUAL ALLEGATIONS

3. The Respondent admits that the following facts are true:

a. Respondent's current registration expires on May 15, 2001.

b. Respondent's last known business address, as on file with the

Department of State is: 10560 Main St., Suite 217, Fairfax, VA 22030.

c. Section 13(b)(1) of the Solicitation Act, 10 P.S. §162.13(b)(1) states that a solicitation must include the "legal name as registered with the department and location . . ."

d. Section 13 (c) of the Solicitation Act, 10 P.S. §162.13(c) states that every printed solicitation must contain the following disclosure statement: "The official registration and financial information of [National Security Center] may be obtained from the Pennsylvania Department of State by calling toll free, within Pennsylvania 1 (800) 732-0999. Registration does not imply endorsement."

e. On January 22, 1998 the Bureau received five separate solicitation materials identifying the Respondent. None of the solicitation materials contained the disclosure statement required by the Bureau and none of the solicitation materials contained the address as registered with the Bureau.

f. On March 16, 1998 the Bureau received four separate additional solicitation materials identifying the Respondent. None of the solicitation materials contained the disclosure statement required by the Bureau and none of the solicitation materials contained the address as registered with the Bureau.

g. On March 25, 1998 the Bureau sent Respondent a letter notifying Respondent that the Solicitation Act required the statutory disclosure statement on solicitations. Respondent received the letter on about April 2, 1998. Respondent did not respond to the letter.

h. On May 27, 1998 the Bureau sent Respondent another letter notifying Respondent that the Solicitation Act required the statutory disclosure statement on

solicitations. Respondent received the letter on about June 1, 1998. Respondent did not respond to the letter.

i. On July 15, 1998 the Bureau received four separate additional solicitation materials identifying the Respondent. None of the solicitation materials contained the disclosure statement required by the Bureau and none of the solicitation materials contained the address as registered with the Bureau.

j. On August 14, 1998 the Secretary issued a Cease and Desist Order against Respondent directing it to stop soliciting charitable contributions in Pennsylvania.

k. On August 24, 1998 the Bureau received a letter from Respondent in which it represented that it would put the disclosure on future solicitations.

l. On September 4, 1998 the Bureau sent Respondent a letter stating that based on Respondent's representations in its letter, the Bureau would not impose administrative fines unless future solicitations did not include the disclosure statement.

m. On October 21, 1999 the Bureau received four separate additional solicitation materials identifying the Respondent. Three of the solicitation materials did not contain the disclosure statement required by the Bureau and three of the solicitation materials did not contain the address as registered with the Bureau.

ALLEGED VIOLATIONS

4. Respondent agrees that by engaging in the foregoing activities it violated the Act at 10 P.S. § 162.15(a) by failing to comply with the requirements of the Solicitation Act.

CONSENT ORDER

5. The parties consent to the issuance of the following Order in settlement of this matter:
- a. Respondent violated the Act at 10 P.S. § 162.15(a).
 - b. On all future solicitations, Respondent will include its location as registered with the Bureau and the disclaimer required by the Bureau.

ADMINISTRATIVE FINE

c. An **ADMINISTRATIVE FINE** of three thousand dollars (\$3,000) is levied upon Respondent. Respondent shall tender the full sum of three thousand dollars (\$3,000) with this executed Consent Agreement which shall be paid by **certified check, cashier's check, attorney's check, or U.S. Postal money order made payable to the "Commonwealth of Pennsylvania."**

(1) Respondent shall at all times cooperate with the Bureau, any of its agents or employees in the monitoring, supervision and investigation of Respondent's compliance with the terms and conditions of this Order, including Respondent causing to be submitted at its own expense written reports, records and verifications of actions that may be required by the Bureau or any of its agents or employees.

(2) If the Respondent fails to cooperate with the Bureau or any of its agents or employees, the Respondent may be deemed in violation of this Consent Agreement and Order.

(3) Respondent shall not falsify, misrepresent or make

material omission of any information submitted pursuant to this Order;

VIOLATION OF THE SECRETARY'S ORDER

d. Notification of a violation of the terms or conditions of this Consent Agreement and Order shall result in the imposition of additional penalties as follows:

(1) The prosecuting attorney for the Bureau shall file with the Secretary a Petition which indicates that Respondent has violated the terms or conditions of this Consent Agreement and Order.

(2) Upon a probable cause determination that Respondent has violated the terms and conditions of this Consent Agreement and Order, the Secretary, or her designee, shall, without holding a formal hearing, issue a Preliminary Order, effective thirty (30) days after its mailing, which imposes a sixty (60) day period of active suspension on Respondent's registration to solicit charitable contributions.

(3) Respondent shall be notified of the Preliminary Order within three (3) days of its issuance by certified mail and first class mail postage prepaid, sent to the last registered address on file with the Bureau, by facsimile or first class mail.

(4) Within fifteen (15) days of mailing of the notification of the Preliminary Order, Respondent may answer the Commonwealth's petition, request that a formal hearing be convened concerning Respondent's alleged violation of the Consent Agreement

and Order, and move for a period of suspension until the Secretary or her designee issues a final order. Respondent shall file all answers and subsequent filings with the Prothonotary for the Bureau of Charitable Organizations, 116 Pine Street, Suite 200, Harrisburg, PA 17101. Respondent shall serve the prosecuting attorney for the Bureau with a copy of the answer and all subsequent filings in this matter.

(5) If the Respondent moves for a stay of the period of suspension, Respondent shall set forth properly verified facts and/or state concisely the matter of law which the Respondent believes justifies a stay of the period of suspension. The Secretary or her designee shall issue a ruling on the Respondent's motion within fifteen (15) days from the date of the mailing of the notification of the Preliminary Order. If the Secretary or her designee makes no ruling on the Respondent's motion within the fifteen (15) days from mailing of the notification of the Preliminary Order, the Respondent's motion shall be deemed denied.

(6) If a request for a formal hearing is received from Respondent a formal hearing shall be convened within forty-five (45) days from the date of filing of Respondent's request for a formal hearing.

(7) The facts and averments in this Consent Agreement

and Order shall be deemed admitted and uncontested at this hearing.

(8) If the Secretary, or her designee, after such hearing makes a determination adverse to Respondent, the Secretary or her designee will issue a Final Order imposing any disciplinary measures she deems appropriate. The Secretary or her designee may, but is not required to, take into account any period of active suspension already served by the Respondent pursuant to the Preliminary Order.

(9) If a request for a formal hearing is not received from Respondent within the prescribed fifteen (15) day period, the Preliminary Order shall become a Final Order.

(10) If an active period of suspension is imposed, Respondent shall still comply with all terms and conditions of this Consent Agreement and Order during any active period of suspension.

(11) Nothing in this Order shall preclude the Prosecuting Attorney for the Bureau from filing charges or the Secretary from imposing disciplinary or corrective measures for violations or facts not contained in this Consent Agreement; provided, however, the Bureau agrees to not re-open its investigation with regard to any Registration Statements on file with the Secretary as of the date of this Consent Agreement and Order unless the Bureau becomes aware of material facts or omission of material facts which have previously

not been disclosed to it and would give it probable cause that other violations existed during such period of time which it failed to uncover in its previous investigation.

e. This case shall be deemed settled and discontinued upon the Secretary issuing an Order adopting this Consent Agreement and the Respondent's successful completion of any ordered discipline.

ACKNOWLEDGMENT OF NOTICE AND WAIVER OF HEARING

6. Respondent waives the filing of an Order to Show Cause in this matter. Respondent knowingly and voluntarily waives the right to an administrative hearing in this matter, and to the following rights related to that hearing: to be represented by counsel at the hearing; the right to present witnesses and testimony in defense or in mitigation of any sanction that may be imposed for a violation; to cross-examine witnesses and to challenge evidence presented by the Bureau; to present legal arguments by means of a brief; and to take an appeal from any final adverse decision.

AGREEMENT NOT BINDING ON OTHER PARTIES

7. This Consent Agreement is between the Bureau and Respondent only. It does not bind any other administrative entity of the Commonwealth of Pennsylvania, including any other bureau within the Department of State. Except as otherwise noted, this Agreement is to have no legal effect if *a)* the Office of General Counsel expresses an objection to the Agreement's form or legality and/or *b)* unless and until the Secretary issues the stipulated Order.

NON-WAIVER OF OTHER RIGHTS

8. It is agreed that National Security Center reserves the right to assert any constitutional challenges to the Act and regulations thereunder in any appropriate forum and that this consent order

will not be construed as a waiver of or having preclusive effect with respect to any constitutional rights that it may have or may wish to later assert.

EFFECT OF SECRETARY'S REJECTION

9. 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.

ENTIRE AGREEMENT

10. 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. There are no other terms, obligations, covenants, representations, statements or conditions, or otherwise, of any kind whatsoever concerning this agreement.

AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES.

11. 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. Nothing in this Consent Agreement or the Order based upon 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 of governmental unit having jurisdiction over the activities of Respondent or any officer, director, agent, employee or independent contractor of the Respondent.

VERIFICATION OF FACTS AND STATEMENTS

12. 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 of 18 Pa.C.S.A. §4904 relating to unsworn falsification to authorities.

Carole L. Clarke

Carole L. Clarke
Prosecuting Attorney
Bureau of Charitable Organizations

DATED: 1/19/01

R. J. Delgado

for National Security Center,
Respondent

DATED: 1/10/01



**IN THE MATTER OF THE REGISTRATION TO SOLICIT
FUNDS FOR CHARITABLE PURPOSES HELD BY
NATIONAL SECURITY CENTER,
FILE NO.: 99-98-01591.**

ORDER

AND NOW, to wit, on this 23rd day of January 2001, the terms of paragraph 5 of the foregoing Consent Agreement are hereby adopted and incorporated as the Order of the Secretary of the Commonwealth in resolution of this matter. This Order shall take effect immediately.

BY ORDER

A handwritten signature in black ink, appearing to read "Kim Pizzigrilli", written over a horizontal line.

Kim Pizzigrilli
Secretary of the Commonwealth