

- a. Respondent's last known business address is 1015 Strawberry Alley, Conneautville, PA 16406.
- b. At all relevant and material times, Allen Clark served as Respondent's President, Dean Allen served as Respondent's Chairman of the Board and Gerald F. Carless served as Respondent's Treasurer.
- c. From July 16, 2006 until late 2008, Dorothy Walker served as Respondent's Bingo Manager, and was responsible for Respondent's bingo and small games of chance activities.
- d. On September 21, 2006, President Clark contacted the Pennsylvania State Police to request an investigation of Respondent's bingo and small games of chance activities as a result of an estimated \$30,000 missing and/or unaccounted for funds.
- e. At the request of the Pennsylvania State Police, the Bureau conducted an investigation of Respondent's bingo and small games of chance activities for fiscal years ending December 31, 2003, December 31, 2004 and December 31, 2005.
- f. Respondent's records for fiscal years ending December 31, 2003, December 31, 2004 and December 31, 2005, failed to include inventories of small games of chance activities.
- g. Respondent's records for fiscal years ending December 31, 2003, December 31, 2004 and December 31, 2005, showed that checks were accepted at the gaming location but were not recorded on the nightly revenue sheets or identified as proceeds of bingo or small games of chance in Respondent's bank deposits.

h. Respondent's records for fiscal years ending December 31, 2003, December 31, 2004 and December 31, 2005, failed to include verifications of the gaming logs that were prepared by game operators.

i. Respondent's Treasurer, Gerald Carless, accepted and deposits funds taken in without verifying the deposits to the amounts listed in the logs.

j. Respondent's accountant used unverified logs to prepare the Form 990's submitted for fiscal years ending December 31, 2003, December 31, 2004, and December 31, 2005.

k. Line 9a on the Form 990's filed by Respondent for fiscal years ending December 31, 2003, December 31, 2004, and December 31, 2005, are incorrect because they are net figures, and the form requires gross amounts.

l. The Pennsylvania State Police and the Bureau provided recommendations for the improvement of the operation using inventory controls, better documentation and adopting the spreadsheets provided by the Internal Revenue Service, as a result of the investigation into the missing \$30,000.

m. On or about July 28, 2008, the Bureau investigated Respondent's financial records for fiscal years ending December 31, 2005, December 31, 2006, and December 31, 2007.

n. Respondent's General Ledger record for a deposit made on June 1, 2005, describes the deposit as "Money received from who knows [sic] where".

o. Respondent's records concerning gaming activity continue to include net amounts, resulting in significant misstatements on the IRS Form 990's filed for fiscal years ending December 31, 2005, December 31, 2006, and December 31, 2007.

AGREED VIOLATIONS

4. Respondent admits and agrees that by engaging in the foregoing activities:

a. Respondent repeatedly violated the Act at, 10 P.S. §162.15(a)(1), by and through 10 P.S. §162.12, in that Respondent solicited charitable contributions in Pennsylvania and failed to maintain true and accurate fiscal records of those solicitation activities for fiscal years ending December 31, 2005, December 31, 2006, and December 31, 2007

PROPOSED ORDER

5. The participants, intending to be legally bound, consent to issuance of the following Order in settlement of this matter:

a. Respondent repeatedly violated the Act at 10 P.S. § 162.15(a)(1) by and through 10 P.S. §162.12.

ADMINISTRATIVE FINE

b. 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."**

COMPLIANCE WITH LAW

c. Respondent acknowledges its requirement to keep true and accurate fiscal records and understands that the Bureau may audit its records at any time.

CASE SETTLED AND DISCONTINUED

6. 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.

ACKNOWLEDGEMENT OF NOTICE AND WAIVER OF HEARING

7. 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; 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

8. This Consent Agreement is between the Bureau and 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. 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.

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 or 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

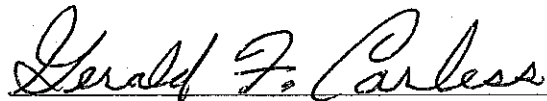
12. Respondent verifies that the facts and statements set forth in this Agreement are true and correct to the best of Respondent's knowledge, information and belief. Respondent understands

that statements in this Agreement are made subject to the criminal penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.



Jacquelyn E. Pfursich, Esquire
Prosecuting Attorney
Department of State

Fellows Club Volunteer Fire Department



By:
Title: *TREASURER*
Respondent

DATED: *June 4, 2010*

DATED: *June 1, 2010*



**IN THE MATTER OF THE
Fellows Club Volunteer Fire Department
FILE NO. 10-98-04044**

ORDER

AND NOW, to wit, on this 8th day of June 2010, 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

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