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

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Department of State

Commonwealth of Pennsylvania,
Bureau of Charitable Organizations,

Docket No. 0014-98-10

Vs.

File No. 09-98-09824

Middletown Volunteer Fire Department
Auxiliary
Respondent

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and the Middletown Volunteer Fire Department Auxiliary, ("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, et seq.

2. Respondent solicited charitable contributions from residents of Pennsylvania.

3. At all relevant and material times, Respondent did not hold a registration to solicit charitable contributions within the Commonwealth of Pennsylvania.

STIPULATED FACTS

4. Respondent admits that the following allegations are true:

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a. Respondent's last known business address is 10 Adelia Street, Middletown, PA 17057.

b. According to Bureau corporation records, Respondent incorporated as a non-profit on April 20, 2005.

c. Respondent has operated as a non-profit organization soliciting contributions for various programs relating to supporting the Middletown Volunteer Fire Department/Middletown Fire #88, its members and other community organizations.

d. After receiving information from Respondent regarding the organization's improper accounting for contributions, the Bureau sent an investigative subpoena to Respondent dated January 22, 2008, requesting financial information for the period from January 1, 2005 to December 31, 2007.

e. On April 24, 2008, after an extension had been granted to allow Respondent to compile the requested documents, the Bureau met with Respondent to obtain and review Respondent's response to the Bureau's Investigative Subpoena.

f. After the Bureau's review of Respondent's records, it was determined that the organization failed to furnish complete records for fiscal years ending December 31, 2005, December 31, 2006 and December 31, 2007.

g. Despite attempts to obtain the requested financial documents, the Bureau has not been supplied the requested documents.

h. During the April 24, 2008 meeting, Respondent's President admitted that the Respondent's financial records were incomplete. Respondent's President

also submitted a letter, dated April 23, 2008, that included an admission that receipts were not obtained and that records were not kept for cash purchases.

i. After the Bureau's review of Respondent's records it was determined that Respondent, among other things, failed to disclose information regarding compensation of employees and officers (i.e., payments to the former Treasurer for work done in the kitchen); no interest loans to the Treasurer made without the knowledge or consent of Respondent's Board of Directors (i.e. placing personal checks as "I.O.U.'s in the Auxiliary's funds and using the Auxiliary's money, and then depositing the checks in the Auxiliary's account several months later); and the Treasurer's failure to make timely deposits of Respondents gaming proceeds.

AGREED VIOLATIONS

5. Respondent agrees that by engaging in the foregoing activities, Respondent has committed multiple violations of the Act by:

a. failing to produce any records or to disclose any information required to be disclosed under this act or the regulations of the department after being requested to do so, in violation of 10 P.S. § 162.17(a)(2); and

b. failing to keep true and accurate records in violation of 10 P.S. § 162.15 (a)(1), by and through § 162.12.

PROPOSED ORDER

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

- a. Respondent violated the Act at 10 P.S. § 162.15(a)(2); and
- b. Respondent violated the Act at 10 P.S. § 162.15 (a)(1), by and through § 162.12.

ADMINISTRATIVE FINE

- c. An ADMINISTRATIVE FINE of one thousand five hundred dollars (\$1,500) is levied upon Respondent. Respondent shall tender the full sum of one thousand five hundred dollars (\$1,500), 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."

MAINTAINING RECORDS

- d. Respondent acknowledges its requirement to true and accurate records of its fiscal activities in accordance with Section 162.12 of the Act. Should Respondent fail to keep true and accurate records of its fiscal activities, Respondent shall pay an administrative fine of \$1,000.00, and an additional penalty of \$100.00 for each day during which such violation continues. No registration, should the Respondent be required to register under the Act, shall be renewed until the fine is paid.

CASE SETTLED AND DISCONTINUED

- 7. 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

8. 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

9. 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.

EFFECT OF SECRETARY'S REJECTION

10. 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

11. 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.

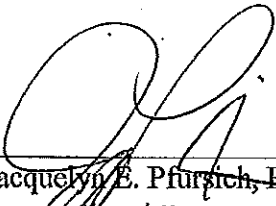
AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES

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. 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.

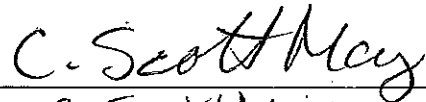
VERIFICATION OF FACTS AND STATEMENTS

13. 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.

Middletown Volunteer Fire Department
Auxiliary



Jacquelyn E. Pfursich, Esquire
Prosecuting Attorney
Department of State



By: C. Scott May
Title: President
Respondent: MVFD Auxiliary

DATED:

4/12/10

DATED:

4-6-10



**IN THE MATTER OF THE
Middletown Volunteer Fire Department Auxiliary
FILE NO. 09-98-09824**

ORDER

AND NOW, to wit, on this 19th day of April 2010, the terms of paragraph 6 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