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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. 0009-98-10

vs.

File No. 10-98-09768

National Relief Charities,
Respondent

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau"), and National Relief Charities ("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. At all relevant and material times, Respondent conducted business in Pennsylvania as a charitable organization, as defined by the Act.

3. At all relevant and material times, Respondent held a registration to solicit charitable contributions within the Commonwealth of Pennsylvania, registration number 9842. Respondent's registration with the Bureau expired on November 11, 2010, and has not yet been renewed.

STIPULATED FACTS

4. Respondent admits that the following allegations are true:

a. Respondent's last known address on file with the Bureau is 500 East Peyton Street, Sherman, TX 75090.

b. On or about August 20, 2007, Respondent submitted registration documents to the Bureau for fiscal year ending December 31, 2006.

c. Respondent's IRS Form 990 filed with the Bureau for fiscal year ending December 31, 2006, was incomplete for the following reasons:

i. Respondent failed to attach statement or schedule for the following parts:

- I. Part II, Line 22a/b;
- II. Part II Line 25/ab;
- III. Part II Line 42;
- IV. Part III Statement 4;
- V. Part IV Line 64b;
- VI. Part VI Line 80a/b Statement 14;
- VII. Part VI Line 91b Statement 15;
- VIII. Part IV Line 91c Statement 16; and
- IX. Schedule A Part III Line 2d

ii. Respondent failed to complete the following parts:

- I. Part IV-A and Part IV-B;
- II. Part V-A; and
- III. Part IX Statement 17

d. On Respondent's IRS Form 990 for fiscal year ending December 31, 2006, Respondent reported \$2,115,812 or 8.9% of its total functional expenses of \$23,654,079 as

“Other expenses not covered above” and failed to itemize the expenses as required by the 2006 IRS Form 990 Instructions.

e. On its IRS Form 990 for fiscal year ending December 31, 2006, Respondent disclosed a net decrease of \$28,410 in a note receivable from a related party, but failed to provide documentation of said note.

f. On or about October 10, 2008, Respondent submitted registration materials to the Bureau for fiscal year ending December 31, 2007.

g. Respondent’s IRS Form 990 filed with the Bureau for fiscal year ending December 31, 2007, was incomplete because Respondent failed to attach or complete Schedule A Part III Line 2d and Line 7C.

h. On or about July 31, 2009, Respondent submitted registration materials to the Bureau for fiscal year ending December 31, 2008.

i. Respondent’s IRS Form 990 filed with the Bureau for fiscal year ending December 31, 2008, was incomplete because Respondent failed to attach Part IV Line 1/Schedule A and Respondent failed to complete Part IV Line 34/Schedule R, Parts II, III, IV, and V Line 1.

j. For the fiscal year ending December 31, 2008, Respondent failed to include the \$20,123,323 of in-kind donations reported on the financial statements of Part I Line 8 and Part VIII Line 1f.

k. On or about September 17, 2010, Respondent submitted amended IRS Form 990’s for fiscal years ending December 31, 2006, December 31, 2007, and December 31, 2008, which addressed the issues previously raised by the Bureau.

AGREED VIOLATIONS

5. Respondent admits and agrees that by engaging in the aforementioned activities:
 - a. Respondent repeatedly violated the Act at 10 P.S. § 162.17(a)(3), by and through 10 P.S. § 162.15(a)(1), by making material false statements on applications, statements, or reports required to be filed with the Bureau for fiscal years ending December 31, 2006, December 31, 2007, and December 31, 2008.

PROPOSED ORDER

6. 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. § 162.17(a)(3), by and through 10 P.S. § 162.15(a)(1).

ADMINISTRATIVE FINE

- b. An ADMINISTRATIVE FINE of six thousand dollars (\$6,000) is levied upon Respondent. Respondent shall tender the full sum of six thousand dollars (\$6,000), with this executed Consent Agreement which shall be paid by certified check, cashiers check, attorney's check, or U.S. Postal money order made payable to the "Commonwealth of Pennsylvania." Respondent shall also pay any and all currently outstanding Administrative Fines levied by the Bureau's registration unit.

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 the requirements of this Order. However, nothing in this Consent Agreement and 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 and Order.

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 the 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 or governmental 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.



Jacquelyn E. Pfursich, Esquire
Prosecuting Attorney
Department of State
DATED: 2/1/11

National Relief Charities



By: Shannon E. Albert
Title: President
Respondent
DATED: 01/25/2011



**IN THE MATTER OF
NATIONAL RELIEF CHARITIES
FILE NO. 10-98-09768**

ORDER

AND NOW, to wit, on this 8th day of March 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:

A handwritten signature in cursive script, appearing to read "Carol Aichele".

Carol Aichele
Acting Secretary of the Commonwealth