

COPY

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

PROBATIONARY

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Department of State

Commonwealth of Pennsylvania, :  
Bureau of Charitable Organizations :

vs. :

Institute on Taxation and Economic Policy, :  
Respondent :

Docket No. 007 -98-04  
File No. 04-98-04168

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and the Institute on Taxation and Economic Policy, ("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 ("the Act"), Act of December 19, 1990, P.L. 1200, No. 202, *as amended*, 10 P.S. §§162.1-162.24.

2. At all relevant and material times, the Institute on Taxation and Economic Policy did not hold a registration to solicit charitable contributions within the Commonwealth of Pennsylvania.

STIPULATED FACTS

3. Respondent's last known business address on file with the Bureau is 1313 L Street NW, Washington, DC 20005.

4. On December 30, 1999, the Bureau received evidence that Respondent was soliciting charitable contributions from Pennsylvania residents without an approved registration with the Bureau.

5. On January 12, 2000, the Bureau sent a certified letter to Respondent concerning its registration obligations under the Act and provided Respondent with the necessary registration forms to register as a charitable organization in the Commonwealth of Pennsylvania.

6. On May 22, 2000, the Bureau received Respondent's registration application, which was not approved because the required financial data was not included.

7. On June 6, 2000, the Bureau received a request from Respondent for an extension of time to file its financial information from Respondent, which was granted by the Bureau until November 10, 2000.

8. Respondent never perfected its registration with the Bureau for fiscal year end December 31, 1999 or subsequent years.

9. On July 2, 2003, the Bureau sent Respondent a second certified letter concerning the registration requirements under the Act.

10. On March 3, 2004, the Bureau received Respondent's registration application for fiscal year end December 31, 2002, which was not approved by the Bureau due to prior violations of the Act.

11. On March 17, 2004, in response to the Bureau's continued request for information, Respondent state that it had received \$48,129.00 from seventy-seven (77) Pennsylvania donors since 1995.

**AGREED VIOLATIONS**

12. The parties agree that by engaging in the foregoing activities, Respondent committed multiple violations of the Act at 10 P.S. §162.15(a)(1), by and through 10 P.S. §162.5(a), by soliciting charitable contributions in Pennsylvania from 1995 to the present without being properly registered as a charitable organization.

**PROPOSED ORDER**

13. To address concerns raised by the Commonwealth and to resolve this matter on a compromise basis, the Commonwealth and the Respondent agree to the issuance of the following Order in settlement of this matter:

a. Respondent violated the Act at 10 P.S. §162.15(a)(1), by and through 10 P.S. §162.5(a).

**ADMINISTRATIVE FINE**

b. An **ADMINISTRATIVE FINE** of two thousand dollars (\$2,000.00) is levied upon Respondent. Respondent shall tender the full sum of two thousand dollars (\$2,000.00) 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."**

**APPROVAL OF REGISTRATION DOCUMENTS**

c. Respondent's registration for fiscal year December 31, 2002 shall be approved by the Bureau upon receipt of the administrative fine and issuance of the Secretary's Order adopting this Consent Agreement. Respondent is prohibited from

soliciting contributions in Pennsylvania until such time as the Bureau approves Respondent's registration.

14. This case shall be deemed settled and discontinued upon the Secretary issuing an Order adopting this Consent Agreement.

**ACKNOWLEDGEMENT OF NOTICE AND WAIVER OF HEARING**

15. 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**

16. 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**

17. 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**

18. 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.

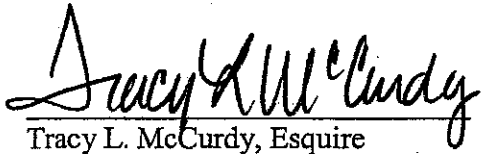
**AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES**

19. 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**

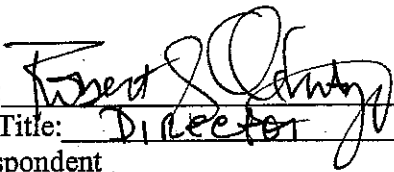
20. Respondent verifies that the facts and statements set forth in this Agreement are true and correct to the best of Respondent's knowledge, information and belief. Respondent understands that statements in this Agreement are made subject to the criminal penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities.

INSTITUTE ON TAXATION AND  
ECONOMIC POLICY



Tracy L. McCurdy, Esquire  
Prosecuting Attorney  
Department of State

DATED: 8-12-04

By:   
Title: Director  
Respondent

DATED:



IN THE MATTER OF  
INSTITUTE ON TAXATION AND ECONOMIC POLICY  
FILE NO. 04-98-04168

**ORDER**

AND NOW, this 13<sup>th</sup> day of August 2004, the terms of Paragraph 13 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*

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Pedro A. Cortés  
Secretary of the Commonwealth