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

PROHIBITORY
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Department of State

**Commonwealth of Pennsylvania,
Bureau of Charitable Organizations,**

vs.

**Keystone Paralyzed Veterans
of America, Inc.**

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**Docket No. 006 -98-06
File No. 05-98-09230**

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and the Keystone Paralyzed Veterans of America, Inc. ("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. Respondent is registered as a charitable organization in the Commonwealth of Pennsylvania, registration number 13538.

3. At all relevant and material times, Respondent was registered to solicit charitable contributions within the Commonwealth of Pennsylvania.

STIPULATED FACTS

4. Respondent admits that the following allegations are true:

a. Respondent's last known business address is 1113 Main Street, Pittsburgh, PA 15215.

b. Civic Development Group, LLC (“Civic Development Group”), is a professional solicitor, registration number, 28439, with an address of 425 Raritan Center Parkway, Edison, NJ 08837.

c. On or about June 17, 2002, Respondent and Civic Development Group entered into an agreement for solicitation services to be provided by Civic Development Group on behalf of Respondent (“Civic Development Contract”).

d. On August 22, 2002 the Bureau approved the Civic Development Contract for the period of August 22, 2002 through September 30, 2003.

e. On November 13, 2003, the Bureau approved an addendum to the Civic Development Contract, extending the Civic Development Contract until September 30, 2004.

f. On October 26, 2004 the Bureau approved an addendum to the Civic Development Contract, extending the Civic Development Contract until September 30, 2005.

g. American Thrift Center, LLC (“American Thrift Center”) is a professional solicitor, registration number 12715, with an address of 533 Vermont Avenue, Glassport, PA 15045.

h. On or about December 20, 2001, Respondent and American Thrift Center entered into an agreement for solicitation services to be provided by American Thrift Center on behalf of Respondent (“American Thrift Contract”).

i. On December 20, 2001 the Bureau approved the American Thrift Contract for the period of January 1, 2002 through December 31, 2002.

- j. On December 31, 2002, the Bureau approved a second contract between Respondent and American Thrift Center for the period of January 1, 2003 through December 31, 2003 (“Second American Thrift Contract”).
- k. On January 13, 2004, the Bureau approved a third contract between Respondent and American Thrift Center for the period of January 1, 2004 through December 31, 2004 (“Third American Thrift Contract”).
- l. On January 17, 2003, Respondent submitted its registration materials and financial information for fiscal year ending September 30, 2002.
- m. On its 2002 Charitable Organization Registration Statement – BCO-10 (“BCO-10”), Respondent reported that it only used the services of the Civic Development Group fiscal year ending September 30, 2002.
- n. On its 2002 Internal Revenue Service (“IRS”) Form 990, Respondent reported \$293,220 in direct public support for fiscal year ending September 30, 2002.
- o. On its 2002 Form 990, Respondent reported fundraising expenses in the amount of \$2,280 for fiscal year ending September 30, 2002.
- p. On Part II, Line 30 of its 2002 Form 990, Respondent reported that it did not have any costs associated with professional fundraising fees.
- q. On Schedule A, Part II of its 2002 Form 990 Respondent reported that no independent contractors were paid more than \$50,000.
- r. On January 26, 2004, Respondent submitted its registration materials and financial information for fiscal year ending September 30, 2003.

- s. On its 2003 BCO-10, Respondent reported that it only used the services of Civic Development Group for fiscal year ending September 30, 2003.
- t. On its 2003 Form 990, Respondent reported \$207,538 in direct public support for fiscal year ending September 30, 2003.
- u. On its 2003 Form 990, Respondent reported fundraising expenses in the amount of \$1,625 for fiscal year ending September 30, 2003.
- v. On Part II, Line 30 of its 2003 Form 990, Respondent reported that it did not have any costs associated with professional fundraising fees.
- w. On Schedule A, Part II of its 2003 Form 990 Respondent reported that no independent contractors were paid more than \$50,000.
- x. On February 3, 2005, Respondent submitted its registration materials and financial information for fiscal year ending September 30, 2004.
- y. On its 2004 Form 990, Respondent reported \$358,958 in direct public support for fiscal year ending September 30, 2004.
- z. On its 2004 Form 990, Respondent reported fundraising expenses in the amount of \$7,859 for fiscal year ending September 30, 2004.
- aa. On Part II, Line 30 of its 2004 Form 990, Respondent reported that it did not have any costs associated with professional fundraising fees.
- bb. On Schedule A, Part II of its 2004 Form 990 Respondent reported that no independent contractors were paid more than \$50,000.
- cc. In a letter dated September 13, 2005, the Bureau notified Respondent of the discrepancies and/or omissions in its registration documents.

dd. On or about October 11, 2005, the Bureau received Respondent's amended BCO-10s for fiscal years ending September 30, 2002 and 2003 and its amended IRS Form 990s for fiscal years ending September 30, 2002, 2003, and 2004.

ee. For fiscal years ending September 30, 2002 and 2003, Respondent amended its BCO-10 to report that it used the services of American Thrift Center.

ff. For fiscal year ending September 30, 2002, Respondent amended its 2002 Form 990 to report \$1,787,011 in direct public support and \$1,465,170 in fundraising expenses.

gg. For fiscal year ending September 30, 2002, Respondent amended its 2002 Form 990 to report on Schedule A, Part II, that it compensated Civic Development Group in the amount of \$950,521 and American Thrift Center in the amount of \$512,369.

hh. For fiscal year ending September 30, 2003, Respondent amended its 2003 Form 990 to report \$1,890,971 in direct public support and \$1,651,146 in fundraising expenses.

ii. For fiscal year ending September 30, 2003, Respondent amended its 2003 Form 990 to report on Schedule A, Part II, that it compensated Civic Development Group in the amount of \$1,108,411 and American Thrift Center in the amount of \$541,110.

jj. For fiscal year ending September 30, 2004, Respondent amended its 2004 Form 990 to report \$2,262,185 in direct public support and \$1,971,640 in fundraising expenses.

kk. For fiscal year ending September 30, 2004, Respondent amended its 2004 Form 990 to report on Schedule A, Part II, that it compensated Civic Development Group in the amount of \$1,433,876 and American Thrift Center in the amount of \$529,905.

AGREED VIOLATIONS

5. Respondent agrees that it committed multiple violations of the Act at 10 P.S. § 162.17(a)(3) by making material false statements on the registration documents submitted to the Bureau for fiscal years ending September 30, 2002, 2003, and 2004.

PROPOSED ORDER

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

a. Respondent committed multiple violation of the Act at 10 P.S. § 162.17(a)(3).

ADMINISTRATIVE FINE

b. An **ADMINISTRATIVE FINE** of five thousand dollars (\$5,000.00) is levied upon Respondent. Respondent shall tender the full sum of five thousand dollars (\$5,000.00) 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."**

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 and service 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.

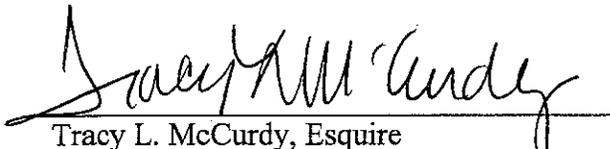
AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES

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.

KEYSTONE PARALYZED VETERANS
OF AMERICA, INC.


Tracy L. McCurdy, Esquire
Prosecuting Attorney
Department of State

DATED: 5-5-06

By: 
Title: President
Respondent

DATED: 10/25/06

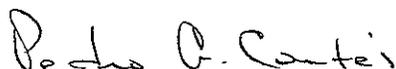


**IN THE MATTER OF
KEYSTONE PARALYZED VETERANS OF AMERICA, INC.
FILE NO. 05-98-09230**

ORDER

AND NOW, this 6th day of June, 2006, 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
Secretary of the Commonwealth