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

Commonwealth of Pennsylvania,
Bureau of Charitable Organizations,

vs.

Keystone Paralyzed Veterans of America, Inc.

Docket No. 0012-98-01
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").


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.


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 it 2002 Form 990 Respondent reported that no independent contractors were paid more than $50,000.

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.


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.

c. 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


PROPOSED ORDER

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


   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.

By: \[Signature\]
Title: \[President\]
Respondent

DATED: 10/8/06

Tracy L. McCurdy, Esquire
Prosecuting Attorney
Department of State

DATED: 5-5-06
IN THE MATTER OF
KEYSTONE PARALYZED VETERANS OF AMERICA, INC.
FILE NO. 05-98-09230

ORDER

AND NOW, this ___ th day of ___une___ , 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