

WHEREAS, in addition to its facility on Grayson Road in Harrisburg, PA, Harrisburg Humane Society maintains a farm property in Perry County, PA, which it utilizes to house and care for farm animals that have been surrendered or seized until they can be medically assessed and cleared for adoption.

WHEREAS, an Occupancy Agreement between Harrisburg Humane Society and its Executive Director provides that the Executive Director shall pay a monthly occupancy fee of \$0.00 reflecting a 100 percent discount of the \$950.00 monthly rental value of the property, that said discount is a benefit of her employment and part of her compensation conditioned upon her continued employment with Harrisburg Humane Society.

WHEREAS, the Occupancy Agreement requires that the Executive Director be responsible for the care and training of all horses and other animals at the property; maintenance of all the land and structures on the property; ordering of all supplies associated with maintaining the property and the animals located there; and general upkeep of all facilities associated with the property.

WHEREAS, the Occupancy Agreement further provides that the Executive Director is personally and solely responsible for the cost of certain expenses associated with the property, including, but not limited to, insurance, utilities, non-structural repairs and routine maintenance.

WHEREAS, the Commonwealth has conducted an investigation into the business practices of Harrisburg Humane Society, its agents, representatives and employees.

WHEREAS, based upon the results of its investigation, the Commonwealth believes that from May 1, 2014, through September 3, 2020, Harrisburg Humane Society, its agents, representatives and employees, operated in violation of the Solicitation of Funds for Charitable Purposes Act, Act of December 19, 1990, P.L. 1200, as amended, 10 P.S. §§ 162.1 - 162.23 (Charities Act), and the Nonprofit Corporation Law of 1988, as re-enacted and amended, 15 Pa. C.S. §§ 5101 - 6162 (Nonprofit Corporation Law), by including, but not limited to:

- a. failing to keep accurate books and records in violation of Sections 12 and 15 of the Charities Act, 10 P.S. §§ 162.12 and 162.15, and Sections 5508 and 5547 of the Nonprofit Corporation Law, 15 P.S. §§ 5508 and 5547;
- b. failing to enact and maintain appropriate procedural safeguards, including, but not limited to, written policies pertaining to credit transactions, reimbursement of expenses, record retention, travel, purchasing and inventory;

- c. failing to review expenses to insure that said expenses were legitimate and appropriate in furtherance of the organization's charitable mission;
- d. misstating its program service expenses by including personal benefits received by its employees, including, but not limited to, purchases of personal merchandise, entertainment, hospitality and housing;
- e. failing to exercise appropriate oversight over the check writing and credit card use of its employees and Executive Director;
- f. underreporting the total compensation of its Executive Director from 2013 through 2019 by omitting the value of her housing allowance; and
- g. preparing, filing and causing the publication of inaccurate publicly available IRS Forms 990 by not disclosing the existence of the Occupancy Agreement with the Executive Director, in violation of Sections 12 and 15 of the Charities Act, 10 P.S. §§ 162.12 & 162.15.

WHEREAS, since February 11, 2022, Harrisburg Humane Society has made substantial improvements to its financial control policies and procedures which it agrees to maintain going forward, including, but not limited to,

enforcement of its credit card and check writing policies, its reimbursement policies and all of the terms of its Occupancy Agreement.

WHEREAS, Harrisburg Humane Society denies all of the Commonwealth's allegations and the parties desire to amicably resolve the circumstances set forth above.

NOW THEREFORE, the parties agree to the following terms and conditions to settle the differences between them:

1. Harrisburg Humane Society shall pay the sum of FORTY-FIVE THOUSAND FIFTY-FIVE DOLLARS AND TWENTY-FIVE CENTS (\$45,055.25) to the Commonwealth of Pennsylvania, Office of Attorney General, which shall be apportioned as follows:
 - a. FORTY THOUSAND Dollars (\$40,000) shall constitute reimbursement of the Attorney General's costs of investigation and be placed in an interest-bearing account and both principal and interest shall be expended by the Attorney General for future public protection purposes;
 - b. FIVE THOUSAND DOLLARS (\$5,000) shall constitute civil penalties and be distributed to the Commonwealth of Pennsylvania; and

c. FIFTY-FIVE DOLLARS AND TWENTY-FIVE CENTS

(\$55.25) shall constitute the filing fee for this Assurance.

2. Harrisburg Humane Society shall make quarterly payments over two years of the sum specified above in the form of a certified or cashier's check or money order made payable to the "Commonwealth of Pennsylvania, Office of Attorney General," which payments shall be made as follows:

- a. \$5,631.91 by June 15, 2023
- b. \$5,631.91 by September 15, 2023
- c. \$5,631.91 by December 15, 2023
- d. \$5,631.91 by March 15, 2024
- e. \$5,631.91 by June 15, 2024
- f. \$5,631.90 by September 15, 2024
- g. \$5,631.90 by December 15, 2024
- h. \$5,631.90 by March 15, 2025

3. Harrisburg Humane Society, its agents, representatives and employees, shall not operate in violation of the Charities Act and/or the Nonprofit Corporation Law by engaging in activities, including, but not limited to:

- a. failing to exercise appropriate oversight of individuals in positions of authority within the organization or entrusted with the care of its funds and other resources;
 - b. failing to keep accurate books and records;
 - c. overstating and/or misrepresenting its program services expenses; and/or
 - d. failing to file accurate IRS Forms 990.
4. Harrisburg Humane Society shall file an amended and corrected IRS Form 990 for 2021 and going forward to disclose the value of the Occupancy Agreement, which adjusted for inflation, is \$15,012 for 2021, and \$15,537 for 2022.
5. Nothing contained herein shall be construed to waive any individual right of action by any consumer or any local, state, federal or other governmental entity.
6. Nothing contained herein shall be construed as an admission concerning any of the alleged violations set forth above.
7. Harrisburg Humane Society agrees that by signing this Assurance it shall henceforth abide by each and every provision herein and that this Assurance shall have the same force and effect as an injunction. The parties further agree that the breach of any one or more terms of this

Assurance shall be sufficient to warrant the Commonwealth to petition the Commonwealth Court of Pennsylvania to assess civil penalties and impose sanctions and to order any equitable relief which the court may deem necessary and appropriate.

8. The Commonwealth Court of Pennsylvania shall maintain jurisdiction over the respondent and the subject matter of this assurance.

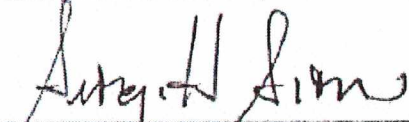
WHEREFORE, and intending to be legally bound, the parties have hereto set their hands and seals:


BY THE RESPONDENT:

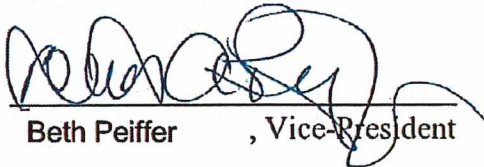
BY THE COMMONWEALTH:

HUMANE SOCIETY OF
HARRISBURG AREA, INC.

MICHELLE A. HENRY
Attorney General


By: 
George H. Groves, President

By: 
Heather J. Vance-Rittman
Senior Deputy Attorney General


Beth Peiffer, Vice-President

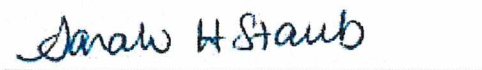
Gene Herne
Chief Deputy Attorney General
Office of Attorney General
Charitable Trusts and
Organizations Section
14th Floor, Strawberry Square
Harrisburg, PA 17120
(717) 783-2853

Attest:


Lindsay D. Bixler, Secretary
Date: 5/15/2023

5/26/2023

McNEES, WALLACE & NURICK, LLC

By: 
Sarah Hyser-Staub, Esq.
100 Pine St.
Harrisburg, PA 17101
Counsel for Respondent

**RESOLUTION OF THE BOARD OF DIRECTORS
OF HUMANE SOCIETY OF HARRISBURG AREA, INC.**

The Board of Directors of Humane Society of Harrisburg Area, Inc., met on the 15th day of May, 2023, and approved the following resolution:

BE IT RESOLVED, that George Groves, President, and Beth Peiffer, Vice-President, are hereby authorized and empowered on behalf of Humane Society of Harrisburg Area, Inc., to enter into an Assurance of Voluntary Compliance with the Commonwealth of Pennsylvania, Office of Attorney General, in settlement of Commonwealth v. Humane Society of Harrisburg Area, Inc., upon the terms and conditions contained in the proposed Assurance of Voluntary Compliance attached hereto and made a part hereof.

Filed with the Secretary of the Corporation this 15th day of May, 2023.

Lindsay D. Buxen
, Secretary