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ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Attorney for New Jersey Division of Consumer Affairs

FILED

AUG - 2 2017

Division of Consumer Affairs

By: Lorraine K. Rak
Deputy Attorney General
Chief, Consumer Fraud Prosecution Section
(973) 877-1280

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS

In the Matter of

THE UNITED WAY OF SALEM
COUNTY, INC.,

Respondent.

Administrative Action

CONSENT ORDER

WHEREAS this matter was opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection (“Division”), as an investigation to ascertain whether violations of the New Jersey Charitable Registration and Investigation Act, N.J.S.A. 45:17A-18 et seq. (“CRIA”), and the Regulations Governing Charitable Fundraising, N.J.A.C. 13:48-1.1 et seq. (“Charities Regulations”), have been or are being committed by The United Way of Salem County, Inc. (“UWSC”), as well as by its trustees, officers, directors, managers, employees, representatives and/or agents (collectively, “Respondent”), (hereinafter referred to as the “Investigation”);

WHEREAS the Division alleges that Respondent violated N.J.S.A. 45:17A-23(b) and N.J.A.C. 13:48-3.1(a) by operating as a Charitable Organization in New Jersey, receiving gross Contributions in excess of \$10,000.00 in fiscal years 2012, 2013, 2014, 2015 and 2016, and

failing to file renewal Registration Statements with the Division's Charities Registration Section for such fiscal years;

WHEREAS the Division alleges that Respondent violated N.J.S.A. 45:17A-32(c)(1) and N.J.A.C. 13:48-13.2(a)(1) by failing to disclose a material fact in its Solicitation of Contributions, specifically, that Contributions designated for distribution to other Charitable Organizations, such as Meals on Wheels, would be distributed by Respondent according to a "first dollars" policy, pursuant to which such Contributions were included in Respondent's annual grants to those Charitable Organizations;

WHEREAS the Division and Respondent (collectively, "Parties") have reached an amicable agreement resolving the issues in controversy and concluding the Investigation without the need for further action, and Respondent has voluntarily cooperated with the Investigation and consented to the entry of the within order ("Consent Order") and for good cause shown:

IT IS ORDERED AND AGREED as follows:

1. EFFECTIVE DATE

1.1 This Consent Order shall be effective on the date that it is filed with the Division ("Effective Date").

2. DEFINITIONS

As used in this Consent Order, the following capitalized words or terms shall have the following meanings, which meanings shall apply wherever the words and terms appear in this Consent Order:

2.1 "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

2.2 “Charitable Organization” shall be defined in accordance with N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3.

2.3 “Contribution” shall be defined in accordance with N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3.

2.4 “Person” shall be defined in accordance with N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3.

2.5 “Registration Statement” shall be defined in accordance with N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3.

2.6 “Solicitation” or “Solicit” shall be defined in accordance with N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3. This definition also applies to other forms of the terms “Solicitation” and “Solicit,” including “Solicited.”

2.7 “State” shall refer to the State of New Jersey.

3. REQUIRED AND PROHIBITED BUSINESS PRACTICES

3.1. Respondent shall not engage in any unfair or deceptive acts or practices in the conduct of any business in the State and shall comply with such State and/or Federal laws, rules and regulations as now constituted or as may hereafter be amended, including the CRIA and the Charities Regulations.

3.2 Within forty-five (45) days of the Effective Date, Respondent shall file with the Division’s Charities Registration Section renewal Registration Statements, specifically, Long Form Renewal Registration Statements (Form CRI-300R), in the manner set forth in N.J.S.A. 45:17A-24, N.J.A.C. 13:48-5.2 and N.J.A.C. 13:48-5.3, for fiscal years 2012, 2013, 2014, 2015 and 2016.

3.3 Respondent shall file with the Division's Charities Registration Section a renewal Registration Statement annually, as required by N.J.S.A. 45:17A-23(b) and N.J.A.C. 3.1(f), whether by filing a Long Form renewal Registration Statement (Form CRI-300R), in the manner set forth in N.J.S.A. 45:17A-24, N.J.A.C. 13:48-5.2 and N.J.A.C. 13:48-5.3, or a Short Form renewal Registration Statement (Form CRI-200), in the manner set forth in N.J.S.A. 45:17A-25, N.J.A.C. 13:48-4.2 and N.J.A.C. 13:48-4.3.

3.4 Respondent shall not operate as a Charitable Organization, Solicit Contributions and/or have Contributions Solicited on its behalf in the State unless it is registered with the Division, in accordance with N.J.S.A. 45:17A-23(b) and N.J.A.C. 13:48-3.1(a).

3.5 Respondent shall disclose in its Solicitation of Contributions the details of its "first dollars" policy for distribution of Contributions designated for other Charitable Organizations, including Meals on Wheels, in accordance with N.J.S.A. 45:17A-32(c)(1) and N.J.A.C. 13:48-13.2(a)(1).

3.6 Respondent shall disclose the details of its "first dollars" policy to the other Charitable Organizations, including Meals on Wheels, to which it distributes designated Contributions.

3.7 Respondent shall maintain complete and accurate records of its activities in the State as may be required by the CRIA and/or the Charities Regulations, in such form as will enable it to accurately provide the information required by the CRIA and/or the Charities Regulations, and make such records available upon demand by the Division, as required by N.J.S.A. 45:17A-31(a) and N.J.A.C. 13:48-10.1(a)(2).

4. DUTY TO COOPERATE

4.1 Respondent shall have a continuing duty to provide assistance and/or information in connection with its operation as a Charitable Organization in the State and as reasonably requested by the Division. Respondent shall also have a continuing duty to cooperate in any inquiry, investigation or hearing in connection with its operation as a Charitable Organization in the State as conducted by the Division, in accordance with N.J.A.C. 13:48-12.2.

5. SETTLEMENT PAYMENT

5.1 The Parties have agreed to a settlement of the Investigation in the amount of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00) (“Settlement Amount”).

5.2 The Settlement Payment comprises Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00) in civil penalties, pursuant to N.J.S.A. 45:17A-33(d) and N.J.A.C. 13:48-14.1(a)(1).

5.3 Seven Hundred Fifty and 00/100 Dollars (\$750.00) (“Settlement Payment”) shall be paid upon Respondent’s signing of the Consent Order.

5.4 Respondent shall make the Settlement Payment by certified check, cashier’s check, money order, wire transfer, credit card or other guaranteed funds made payable to the “New Jersey Division of Consumer Affairs” and forwarded to:

Case Management Tracking
Office of the Attorney General
Department of Law and Public Safety
Division of Consumer Affairs
124 Halsey Street – 7th Floor
P.O. Box 45025
Newark, New Jersey 07101
Attn: Van Mallet, Lead Investigator

5.5 Upon making the Settlement Payment, Respondent shall be fully divested of any interest in, or ownership of, the monies paid, and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division pursuant to the terms herein.

5.6 Based on Respondent's representations regarding its inability to pay, the balance of the Settlement Amount totaling Two Thousand Seven Hundred Fifty and 00/100 Dollars (\$2,750.00) shall be suspended ("Suspended Penalty") and automatically vacated at the expiration of three (3) years from the Effective Date, provided:

- (a) Respondent complies in all material respects with the required and prohibited business practices set forth in Section 3;
- (b) Respondent makes the Settlement Payment in the manner required under Sections 5.3 and 5.4; and/or
- (c) Respondent does not engage in any acts or practices in violation of the CRIA and/or the Charities Regulations.

5.7 In the event Respondent fails to comply with the requirements of Section 5.6, the Division shall provide it with notice seeking payment of the Suspended Penalty, as well as any unpaid portion of the Settlement Amount. Respondent shall be afforded a fifteen (15) day period from receipt of such notice within which to cure any noncompliance ("Cure Period"). In the event that Respondent cures the noncompliance within the Cure Period, the suspended portion of the Settlement Amount shall return to its suspended status. In the event that Respondent fails to cure the noncompliance within the Cure Period, the Division will file a Certificate of Debt for the balance of the Settlement Amount.

6. GENERAL PROVISIONS

6.1 This Consent Order is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of obligations and duties imposed by this Consent Order.

6.2 This Consent Order shall be governed by, and construed and enforced in accordance with, the laws of the State.

6.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Order and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Consent Order.

6.4 This Consent Order contains the entire agreement between the Parties. Except as otherwise provided herein, this Consent Order shall be modified only by a written instrument signed by or on behalf of the Parties.

6.5 Except as otherwise explicitly provided in this Consent Order, nothing in this Consent Order shall be construed to limit the authority of the Attorney General to protect the interests or the people of the State.

6.6 If any portion of this Consent Order is held invalid or unenforceable by operation of law, the remaining terms of this Consent Order shall not be affected.

6.7 This Consent Order shall be binding upon Respondent as well as any Person through which it may now or hereafter act, as well as any Persons who have authority to control or who, in fact, control and direct its business.

6.8 This Consent Order shall be binding upon the Parties and their successors in interest. In no event shall assignment of any right, power or authority under this Consent Order

be used to avoid compliance with this Consent Order.

6.9 This Consent Order is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Order shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Respondent; and (b) an admission by Respondent that any of their acts or practices described in or prohibited by this Consent Order are unfair or deceptive or violate the CRIA and/or the Charities Regulations.

6.10 This Consent Order is not intended, and shall not be deemed, to constitute evidence or precedent of any kind except in: (a) an action or proceeding by one of the Parties to enforce, rescind or otherwise implement any or all of the terms herein; or (b) an action or proceeding involving a Released Claim (as defined in Section 8) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

6.11 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Consent Order may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Order.

6.12 This Consent Order is a public document subject to the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

7. REPRESENTATIONS AND WARRANTIES

7.1 The Parties represent and warrant that an authorized representative of each has signed this Consent Order with full knowledge, understanding and acceptance of its terms and that the representative has done so with authority to legally bind the respective Party.

7.2 Respondent represents and warrants that it has been advised by the Division to seek legal counsel to review this Consent Order and that it has voluntarily chosen not to do so.

8. RELEASE

8.1 In consideration of the undertakings, mutual promises and obligations provided for in this Consent Order and conditioned on Respondent making the Settlement Payment in accordance with Section 5, the Division hereby agrees to release Respondent from any and all civil claims, to the extent permitted by State law, which the Division could have brought prior to the Effective Date against Respondent for violations of the CRIA and/or the Charities Regulations, as well as the matters specifically addressed in this Consent Order (“Released Claims”).

8.2 Notwithstanding any term of this Consent Order, the following do not comprise Released Claims: (a) private rights of action; (b) actions to enforce this Consent Order; and (c) any claims against Respondent by any other agency or subdivision of the State.

9. PENALTIES FOR FAILURE TO COMPLY

9.1 The Attorney General (or designated representative) shall have the authority to enforce the provisions of this Consent Order or to seek sanctions for violations hereof or both.

9.2 The Parties agree that any future violations of the provisions of this Consent Order, the CRIA and/or the Charities Regulations shall constitute a second or succeeding violation pursuant to N.J.S.A. 45:17A-33(d) and N.J.A.C. 13:48-14.1(a)(1), and that Respondent may be liable for enhanced civil penalties.

10. COMPLIANCE WITH ALL LAWS

10.1 Except as provided in this Consent Order, no provision herein shall be construed

as:

- a. Relieving Respondent of its obligation to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or
- b. Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Respondent pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Respondent may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

11. NOTICES UNDER THIS CONSENT ORDER

11.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Parties pursuant to this Consent Order shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides tracking services and identification of the Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Division:

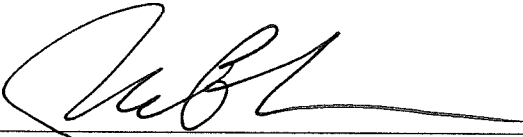
Lorraine K. Rak, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For the Respondent:

Monique Chadband, CEO
The United Way of Salem County, Inc.
203 East Broadway
Salem, New Jersey 08079

IT IS ON THE 2nd DAY OF August, 2017 SO ORDERED.

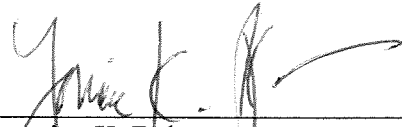
CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY

By: 
STEVE C. LEE, DIRECTOR
DIVISION OF CONSUMER AFFAIRS

**THE PARTIES CONSENT TO THE FORM, CONTENT AND ENTRY OF THIS
CONSENT ORDER ON THE DATES BESIDE THEIR RESPECTIVE SIGNATURES.**

FOR THE DIVISION:

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY

By: 


Lorraine K. Rak
Deputy Attorney General
Chief, Consumer Fraud Prosecution Section

124 Halsey Street – 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

Dated: July 31, 2017

FOR RESPONDENT:

THE UNITED WAY OF SALEM COUNTY, INC.

By: 

Monique Chadband, CEO
The United Way of Salem County, Inc.
203 East Broadway
Salem, New Jersey 08079

Dated: July 12, 2017