



# Minority Caucus Charity Failed to Give Out Scholarships Despite Significant Fundraising

The New York State Legislature's Minority Caucus is in hot water after the group's charity has been found to have used money allocated for scholarships for personal indulgences, and is now refusing to disclose its finances.

According to the <u>Daily Caller</u>, the Association of Black and Puerto Rican Legislators, Inc. runs a charity through which it collects money from companies such as Time Warner Cable and AT&T. The charity's mission is to empower "African American and Latino youth through education and leadership initiatives" by "providing opportunity to higher education."

But during the 2015-2016 fiscal year, \$500,000 was instead spent on items such as music, food, and limousines.



The New York Post reported that the group's main charitable endeavor is "Caucus Weekend" — a weekend comprised of workshops, parties, and concerts that takes place every February in Albany, New York. The group charges attendees up to \$50,000 for a chance to party with the lawmakers and the event typically features appearances by Grammy Award-winning artists and speakers such as Jesse Jackson and Hillary Clinton.

Attendees are told that their contributions are used for scholarships, but the *Post* has learned that in the last two years, there has been no cash for scholarships. Meanwhile, for the 2016 Caucus Weekend, lawmakers reportedly spent \$128,000 on food services, \$36,500 on music, and \$56,494 on equipment.

That's after former Chairwoman Crystal Peoples-Stokes stated at the 2015 retreat that the charity would "double the amount of scholarship funds given to students in their respective districts."

The group's treasurer, Assemblyman Gary Pretlow, claims to have no idea how the money was spent.

"I don't know what happened," said Pretlow, a Westchester Democrat. "I just sign the checks they give me to sign."

"Money comes from the events and we have a lot of bills associated with the events," Pretlow said.

Apparently so. In 2015, the group received \$564,677 in contributions, of which just \$35,745 went to scholarships. The rest was used to fund the lavish event — \$6,200 on limo services, \$24,500 on the event's speaker, \$85,000 on the concert, \$157,000 on food services, \$30,657 on event decor, and \$43,000 on hotel accommodations, to name a few of the expenses. Just 6.3 percent of the group's total revenue went to scholarships.



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Apparently such money (mis)management is par for the course for this charity. During the 2013-2014 year, the group gave just \$32,000 in scholarships despite having raised \$580,190.

The *Post* observes that the scholarships are paltry based on recommendations by charity watchdog groups such as Charity Navigator, which suggests that at a minimum, one-third of a nonprofit's revenues should go to its stated purpose.

Last year, the *Albany Times Union* caught up with a former caucus member, who spoke on condition of anonymity. The member claims that there had been some infighting about the amount of money the group has spent on entertainment.

But according to the former caucus chairman, Assemblyman Nick Perry of Brooklyn, the money has been well spent as it helps the charity achieve its real goal.

"The real purpose (of the charity) is to bring people to get over their apathy and out to Albany and get motivated," Perry said.

Queens Assemblywoman Michelle Titus also appears to be unconcerned by the way the money for the annual event is spent.

"The goal of the Annual Conference is broader than the scholarships which are generated from table sales at the gala," Titus said. "There is overhead for the event which includes the space rental for the educational forum, workshops and seminars, craft expo & business partnership fair, dinner gala and entertainment in addition to the scholarships."

The charity's spending may come as a surprise to the New York State United Teachers union, which has given hundreds of thousands of dollars to the charity with the belief that it was contributing to scholarships.

"NYSUT is proud to support scholarships for black and Latino youths," said union spokesman Carl Korn. "But we have not been involved in implementation."

The *Albany Times Union* raised questions about the ethical implications of the charity weekend, as some of the event's sponsors are those with business before the Legislature. The *Times Union* observes, "State law bars a legislator from taking a gift worth more than \$15 from entities or lobbyists with business before the state if it can reasonably be presumed the gift was meant to influence the lawmaker."

But Titus contends that there is no conflict of interest, as the money goes to the charitable organization, which not only pays for the entertainment but also the educational and fundraising events.

Meanwhile, the charity is refusing to disclose its 2017 tax filing to the *New York Post*, despite federal requirements that charities do so upon request.

Assemblywoman Latrice Walker from Brooklyn, who serves as the current chair of the nonprofit's board, claims to have no "knowledge of the matter." She is currently campaigning to be the city's public advocate.

Apparently, this is not the first time the group has attempted to hide its tax filings. The *Post* reported that the group temporarily lost its charitable status in 2011 after it failed to file tax returns for three consecutive years.

Incoming state Attorney General Letitia James is reportedly "troubled" after learning that the legislators raised more than \$1 million in charitable contributions over two years and didn't provide a



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single scholarship to students.

"Attorney General-Elect James is troubled by the reporting on this matter," said her spokesperson, Delaney Kempner. "As Attorney General, she will pursue the facts of any allegation wherever they may lead."

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