

Rescue Group, Attorney General Reach Settlement

A California rescue group was investigated for allegedly mishandling donations intended for Hurricane Katrina animal relief efforts.

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An animal rescue group and the California attorney general reached a settlement agreement in July 2007 stemming from an investigation based on the way the nonprofit handled donations it received in the aftermath of Hurricane Katrina.

The settlement agreement states Noah's Wish received \$8 million in donations due to its solicitation efforts following Hurricane Katrina, which hit New Orleans and surrounding areas in Aug. 2005. The attorney general launched an investigation in June 2006 and examined several allegations that suggested: The money wasn't used for caring for Hurricane Katrina animals, Noah's Wish did not properly classify an account for hurricane donations, The nonprofit did not exhibit adequate control over the money, Problems existed on the governing board.

Noah's Wish officials dispute and deny all allegations.

In a financial statement for the 2005 fiscal year, the nonprofit reported it spent nearly \$1.5 million on Hurricane Katrina animal relief efforts, and of the \$8 million collected, the nonprofit reported it had \$4 million left. The settlement agreement states that the remainder of donations appeared to have been used to "further the general charitable purpose of Noah's Wish, including overhead costs."

As part of the settlement, Noah's Wish must hand over the \$4 million to the attorney general's office. The money will be placed in a special account and distributed to beneficiaries that assist animal victims of Hurricane Katrina. Of the \$4 million, \$1 million was contractually agreed to go to the City of Slidell, La., to construct a shelter to replace one that was destroyed in the hurricane. Money will be reserved specifically for that purpose to fulfill the agreement. In addition, approximately \$125,000 will be used to reimburse the attorney general's office for costs incurred during the investigation.

In addition, the settlement states that Terri Crisp, board member and founder of the nonprofit, may not be employed or attached to Noah's Wish in any manner. Crisp is also forbidden from serving as a director, officer, or trustee with any other nonprofit for the next five years.

Noah's Wish is required to add new, independent members to its board, provide training and consult with CompassPoint Nonprofit Services to develop and implement proper financial controls.

The attorney general's office will monitor Noah's Wish and its practices for the next two years. Based on the agreement, the attorney general will not pursue litigation towards Noah's Wish.