



## **Summary of Forensic Examination of the Overland Park Police Officers Foundation**

The Overland Park Police Officer Foundation has released the findings of the report of Financial Forensics, Inc. submitted to them in May, 2022. This summary is intended to summarize the findings of the 82 page report, which contains observations about propriety of the accounting system, tax compliance, as well as important issues regarding the governance and financial practices of the prior board of directors.

1. Financial Forensics, Inc. was engaged by the current board of directors of the Foundation to conduct a forensic examination of financial records after the prior board failed to turn over key records needed to understand how the Foundation was operated and funded.
2. The forensic examination of the Overland Park Police Officer Foundation was constrained by lack of records that should have been provided by the prior board. These records include board of director meeting minutes, treasurer reports, as well as bank records.
3. A copy of the Bylaws of Overland Park Police Officers Foundation was obtained and found to contain provisions prohibiting self-dealing and payments to board members. The Bylaws prohibit transactions with companies related to board members, and from Foundation loans to board members
4. Financial Forensics obtained the accounting records that recorded the financial transactions of the previous board, and determined that the prior board had not reliably maintained those records within a complex accounting system not designed for volunteers of a charitable organization. This shortcoming does not explain the failure to maintain or provide board of director meeting minutes, treasurer reports, or the failure to provide bank records to the Foundation.
5. Examination of expenditures of the Foundation found numerous payments to prior board members that are not authorized by the Bylaws. No amendments were drafted by the prior board to authorize payments to themselves, nor was the provision in the bylaws prohibiting payments to directors repealed. Because Kansas criminal statutes prohibit “obtaining or exerting unauthorized control over property or services”, the payments that prior board members made to themselves is in violation of Kansas criminal statutes regarding theft. A requirement for charging an individual with theft is any of several “acts done with the intent to permanently deprive the owner of the possession, use or benefit of the owner’s property or services”. Any one of five conditions must be met to charge theft. One is “obtaining or exerting unauthorized control over property or

services". The prior board members acted without authorization in making payments from Foundation funds to themselves.

6. Other irregularities were noted during the examination of disbursements of the Foundation. For example, recipients of scholarship funds awarded by the Foundation had their awards paid directly to the academic institutions where they were enrolled. Board members and their spouses who were awarded academic scholarships were paid directly to themselves, not to the academic institutions in which they were enrolled. This irregularity raised the question of whether the payments were, in fact, for legitimate academic expenses. In addition, there was a \$1,500 check written to prior board member Bradley Heater for "Donation to a family", which raised the question as to why the check wasn't written to the family itself. In addition, there was a \$600 cash withdrawal from the Foundation bank account for "School supplies", which raised the question as to why the school supplies were not paid via Foundation check, or through use of a Foundation debit card that would have documented where the school supplies were purchased.
7. Records of cash donations existed only in the bank and accounting records. There was no receipting system that could be found, which makes cash donations vulnerable to conversion to personal use rather than being deposited into the Foundation bank account.
8. Errors and omissions in the accounting records caused the tax returns filed on behalf of the Foundation to be incorrect.
9. The lack of cooperation by prior board members makes some of the transactions of the prior board suspect. The lack of documentation normally maintained by a charitable organization served to effectively conceal the activity of the prior board members.

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