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MADIGAN FILES SUIT AGAINST FORMER CFO FOR MISAPPROPRIATING MORE THAN \$205,000 FROM CHICAGO CHARITY

Chicago — Attorney General Lisa Madigan today filed a lawsuit against the former chief financial officer of the Marcy-Newberry Association (MNA) social services charity, alleging more than \$205,000 was misappropriated from the charity's accounts.

Madigan filed the complaint in Cook County Circuit Court against Donald Chew, of Sauk Village, for misappropriating at least \$205,372 from MNA, a social services charity that assists children and adults on Chicago's West Side. The lawsuit alleges that Chew's actions violated the state's Charitable Trust and Solicitation for Charity acts.

"The Marcy-Newberry Association provides vital assistance such as early childhood education, after-school programming, job training and senior services for some of the neediest in our communities," Madigan said. "By taking charitable contributions, it damages the people who rely on the good works of this charity and violates state law."

The matter was referred to the Attorney General by the Illinois Department of Insurance (IDOI), which brought action against Chew in December 2011 for selling insurance policies without a license through his for-profit company, Reassurance Health, Inc. IDOI noted during its investigation that Chew had made some large and questionable transfers of money from MNA's accounts into his personal and his for-profit business accounts.

Upon notification of this activity, MNA immediately terminated Chew's employment and conducted a forensic audit of its finances. MNA's forensic auditors determined Chew misappropriated at least \$205,372 in charitable monies.

The Attorney General's lawsuit asks the court to permanently prohibit Chew from acting as a charitable fiduciary in Illinois. It also asks that Chew account for any misappropriated funds and asks the court to hold Chew liable for at least \$205,372. The complaint also asks that Chew be found to have breached his fiduciary duties and that he forfeit any salary and compensation he received from MNA during the time he was in violation. The lawsuit also asks that Chew pay a \$50,000 civil penalty for each violation of the Charitable Trust and Solicitation for Charity acts.

Bureau Chief Therese Harris, Assistant Bureau Chief Barry Goldberg and Assistant Attorneys General Kristin Louis and Joyce Ku handled this case for Madigan's Charitable Trust Bureau.

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