



To Our Community and Supporters:

If you have not already heard, a story about Veteran's Path Up aired on a local Charlotte TV station on March 25th of 2019, alleging financial mismanagement. The story originated with a disgruntled board member who made a complaint to the Attorney General of NC. The Attorney General of course has a duty to investigate all complaints, and we are working with the Attorney General's office at this time to provide them with all of the information that they have requested.

We want to ensure you know that the allegations are unfounded, that we are addressing them, and that when the AG reviews all documentation, we believe we will be fully exonerated.

As Executive Director I am viewing this challenging situation as an opportunity to correct any mistakes we may have made as a fledgling organization, and to ensure we have a level of transparency and accountability that will continue to be worthy of your trust and your investment. To that end, I want to briefly address some of the major accusations that were discussed in the news story.

Improper bookkeeping: As a new nonprofit organization, certainly VPU has had its share of administrative missteps. At no time however has there been any fraudulent activity, a statement we can back up with our financial records. Since our inception in 2015 we have moved from having our books kept by a volunteer board member to a paid professional firm, and the few early mistakes that were made are thus not likely to be repeated.

Excessive executive salary: The Board of Directors approved an Executive Director salary of \$96,000/year. Despite this salary being approved, I in fact received no compensation for the first 14 months of VPU's existence, and have recently once again asked the board to move me to a non-paid status, which occurred before the request for interview. Board members receive no salary. My ultimate motivation for doing this work was and is the mission of moving Veteran's into permanent housing, not salary.



Charitable Solicitation License: One of the primary items that the TV clip alleges is that we received donations without a Charitable Solicitation License in the state of NC. This is separate from the 501(C)3 letter that is issued by the IRS at the Federal level which does allow an organization to receive tax deductible donations. We were not aware of the need for a Charitable Solicitation license and once we knew, applied for and received one from the Secretary of State for NC. The TV journalist was made aware of the license being issued and did not mention it in the story that aired on TV Monday evening. Understanding that media time is limited, much of the interview where we defended ourselves was not included.

Pace of house rehabs: The news story notes that to date VPU has acquired six homes. At the time of our founding there were many more homes available for us to acquire at a low cost or as donations. Since that time the market conditions have dramatically changed, which has admittedly slowed our trajectory from what we planned. This is not evidence of fraud or mismanagement, it is simply the result of changing market conditions.

I want you to know that these allegations are very serious to me and to our current Board of Directors. We will continue to keep you updated, and I am available for any questions you may have. In the meantime, our work and mission continue to move forward.

Thank you for your support and if you have any questions, do not hesitate to contact me for anything: Ken@VeteransPathUp.org.

All My Best,

Ken Lacy
Executive Director
Veterans Path Up, Inc.