

STATE OF MINNESOTA
COUNTY OF RAMSEY

DISTRICT COURT
SECOND JUDICIAL DISTRICT

Case Type: Other Civil
(Charitable/Nonprofit Violations)

Court File No. _____

In the Matter of West African Family &
Community Services

**ASSURANCE OF
DISCONTINUANCE**

WHEREAS, this Assurance of Discontinuance (“Assurance”) is entered into pursuant to Minnesota Statutes section 8.31, subdivision 2b, between the State of Minnesota, through its Attorney General, Keith Ellison (“State” or “AGO”) and West African Family & Community Services (“WAFCS”);

WHEREAS, the AGO has authority to enforce Minnesota’s laws relating to charitable organizations, charitable trusts, and nonprofit corporations under state statutes and common law, including as *parens patriae*. See, e.g., Minn. Stat. §§ 8.31, 309.57, 317A.813, 501B.34, and 501B.40;

WHEREAS, WAFCS is a Minnesota nonprofit corporation organized under the Minnesota Nonprofit Corporation Act (“Act”), Minnesota Statutes chapter 317A, a soliciting charitable organization under the Minnesota Charitable Solicitation Act, Minnesota Statutes sections 309.50 to 309.61, and a Minnesota charitable trust under the Supervision of Charitable Trust and Trustees Act, Minnesota Statutes chapter 501B. WAFCS’ registered office address is 7200 Brooklyn Blvd, Brooklyn Center, Minnesota 55429–5542;

WHEREAS, Edmund Ocansey was the founder of WAFCS and has served as an officer and director of the corporation from November 2016 through the present;

NOW THEREFORE, WAFCS hereby agrees to entry of an Assurance of Discontinuance with the following terms and conditions:

ALLEGATIONS

1. The AGO states and alleges as follows:

2. WAFCS is a Minnesota nonprofit corporation based in Brooklyn Center, Minnesota. Its charitable mission is to provide access to food, clothing, and household supplies through a culturally specific food shelf, to assist with career development and job searching, and to address legal issues with the help of volunteer attorneys.

3. WAFCS was founded in 2016 by Edmund Ocansey, along with other members of the Brooklyn United Methodist Church (“BUMC”), and Ocansey served as its board member and president (renamed “program coordinator”) from its founding through the present.

I. OCANSEY VIOLATED HIS FIDUCIARY DUTIES AS OFFICER AND DIRECTOR OF WAFCS.

1. In August 2021, a former volunteer with WAFCS complained to the AGO that Ocansey was taking the nonprofit’s food and was misusing nonprofit assets for personal gain.

2. The AGO demanded documents and testimony from Ocansey, WAFCS, and WAFCS’ financial institutions regarding these expenses pursuant to Civil Investigative Demands (“CIDs”). The AGO determined that from 2016 to 2024, WAFCS incurred tens of thousands of dollars in expenses that included Ocansey’s personal spending, such as fast food, retail stores, car dealerships, and cash withdrawals, in addition to checks made out to Ocansey and Ocansey’s family. Ocansey’s personal spending was possible in part because he had unfettered access to WAFCS’ funds, and he ran the organization without any oversight.

3. Ocansey admitted that he used WAFCS' nonprofit bank account for his own personal expenses. Specifically, he admitted that he used nonprofit funds to pay for his personal food, car expenses, unauthorized "wages" for himself and his son, and personal purchases including retail, clothing, dental, and other expenses on an ongoing basis without reimbursing the organization. Ocansey also spent nonprofit funds on fast food purchases for volunteers, and he spent nonprofit funds buying sporting goods, items at Macy's, and other items for the volunteers of the food shelf and other community members. Ocansey claimed that some of the expenses and cash withdrawals questioned by the AGO were for cultural food purchases and were in furtherance of WAFCS' nonprofit mission; however, he was unable to provide documentation segregating these expenses or establishing that they were approved by the nonprofit's board.

4. WAFCS and Ocansey maintain that there was always an expectation that Ocansey would be compensated for his work, though a specific amount was never set for his salary. On December 6, 2024, WAFCS' board of directors retroactively authorized \$123,660 as compensation for the work that Ocansey did from 2020 through May 2024.

5. A specific example of misuse is that Ocansey used \$3,573 of nonprofit funds to purchase a car for his son. Although Ocansey claims that his son reimbursed the organization for this purchase, he did not provide evidence of this reimbursement to the AGO.

6. The nonprofit's account also showed high-dollar checks and withdrawals that Ocansey claims were used to purchase culturally appropriate food for WAFCS. Despite claiming to have receipts for these food purchases, Ocansey failed to produce receipts or any other proof to validate his assertion. Ocansey further admitted that he personally kept any withdrawn cash that was left over after making these food purchases, though he did not state the specific amount that he kept.

7. The above misuse was enabled by the fact that WAFCS had not adopted any formal policies or procedures imposing financial controls on the use of nonprofit funds, and that Ocansey had unrestricted access to nonprofit funds. The above misuse was further enabled by the fact that, from 2020 to 2024, WAFCS had no functioning board of directors.

8. Ocansey admitted that he often provided the nonprofit debit card or cash from the nonprofit account to volunteers without requiring receipts establishing that the funds were used according to the nonprofit's mission. There was also no "check out" process, or any way to record who took the credit card at any given time. Ocansey claims that his lax practices in securing the debit card resulted in a volunteer allegedly making personal purchases using the card. When this was discovered, Ocansey allegedly did not report the volunteer to the police, conduct an investigation, or demand that the stolen funds be returned to the organization. Other than Ocansey's word, there is no way to verify that this volunteer made these purchases, and not Ocansey.

9. In addition to his misuse of WAFCS' financial assets, Ocansey breached the duty of care by grossly mismanaging WAFCS, allowing it to violate numerous charities laws.

10. These actions and inactions violated, among other statutes, Minn. Stat. §§ 317A.251, subd. 1 (breach of director fiduciary duties), 317A.255 (unauthorized conflicted transactions), 317A.361 (breach of officer fiduciary duties), and 501B.41 (breach of trust), and provide grounds for equitable relief under Minn. Stat. § 317A.751, subd. 5.

II. WAFCS VIOLATED MINNESOTA CHARITIES LAWS RELATING TO THE GOVERNANCE OF THE NONPROFIT CORPORATION.

11. From 2016 through 2024, WAFCS' board of directors failed to manage the business and affairs of WAFCS as required by Minnesota law. Rather, Ocansey generally ran WAFCS without board oversight.

12. WAFCS' original bylaws adopted in November 2016 required WAFCS' board to meet on a regular basis.

13. Despite this requirement, WAFCS and Ocansey admitted that its board met only once in 2018, meaning that it did not meet in 2017, 2019, or 2020. In 2020, the board of directors ceased to exist. After 2020, there were no formal meetings, written board actions, or board elections. Further, WAFCS could produce no minutes or materials from board meetings other than the minutes of one meeting held in 2018.

14. WAFCS' directors permitted Ocansey to manage the nonprofit finances without oversight or limitations. As a result, Ocansey's unauthorized spending and misuse of nonprofit funds, failure to segregate personal and nonprofit expenses, and failure to keep detailed, accurate books and records went unnoticed and unaddressed by the board for years.

15. WAFCS also failed to timely submit required tax returns to the IRS, putting WAFCS' tax-exempt status at risk.

16. Due to WAFCS' failure to maintain accurate books and records, WAFCS also failed to approve transactions with related parties such as Ocansey.

17. Further, WAFCS failed to maintain registration with the AGO as a soliciting charity under Minnesota Statutes chapter 309 or as a charitable trustee under Minnesota Statutes chapter 501B. Despite WAFCS' failure to maintain its registration to solicit charitable donations, WAFCS continued to raise funds and accept and hold charitable contributions. WAFCS accepted monetary and in-kind donations, and BUMC also raised money on WAFCS' behalf.

18. WAFCS' failure to submit required registration paperwork prevented government officials and donors from gaining insight into WAFCS' finances.

19. These actions and inactions by WAFCS' former directors violated Minnesota charities laws including but not limited to Minn. Stat. §§ 317A.201 (board direction and control over nonprofit), 317A.231 (board meetings must be held at least once per year), 317A.251, subd. 1 (breach of director fiduciary duties), 317A.301 (requiring nonprofits to appoint a treasurer), 317A.461 (requiring nonprofits to maintain books and records including accounting records and meeting minutes), 501B.41 (breach of trust), and 309.54 (accurate and detailed books and records), 309.52–53 (AGO registration requirements), 501B.36-.38 (charitable trust registration requirements), and provide grounds for equitable relief under Minn. Stat. § 317A.751, subd. 5.

* * * *

20. In sum, WAFCS and/or its board allowed or failed to prevent Ocansey's flagrant misuse of WAFCS; failed to properly oversee and manage WAFCS' charitable assets; and failed to adhere to applicable Minnesota law governing nonprofit corporations, soliciting charitable organizations, and charitable trusts.

21. The AGO alleges that the conduct generally described in this Assurance constitutes violations of, among other provisions, Minn. Stat. §§ 317A.201, 317A.231, 317A.251, 317A.255, 317A.301, 317A.361, 317A.461, 317A.671, 317A.811, 309.52, 309.53, 309.54, 501B.36, 501B.38, and 501B.41.

22. WAFCS neither admits nor denies the allegations in this Assurance.

RELIEF

I. DEFINITIONS.

23. For the purposes of this section of this Assurance, the following definitions apply:
- (a) The term "associated with" shall mean the persons and entities referenced in Minn. Stat. § 317A.255.
 - (b) "Contribution" shall have the meaning given the term by Minnesota Statutes section 309.50, subdivision 5.

- (c) "Director" shall have the meaning given the term by Minnesota Statutes section 317A.011, subdivision 7.
- (d) "Member" shall have the meaning given the term by Minnesota Statutes section 317A.011, subdivision 12.
- (e) "Nonprofit organization" shall mean the following: (i) any corporation governed by or organized under Minnesota Statutes chapter 317A, section 322C.1101, or equivalent laws in other states, and (ii) any organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).
- (f) "Officer" shall have the meaning given the term by Minnesota Statutes section 317A.011, subdivision 15.
- (g) "Professional fundraiser" shall have the meaning given the term by Minnesota Statutes section 309.50, subdivision 6.
- (h) "Solicit" shall have the meaning given the term by Minnesota Statutes section 309.50, subdivision 10.
- (i) "Trustee" shall have the meaning given the term by Minnesota Statutes section 501B.35, subdivision 4.

II. EQUITABLE RELIEF.

24. Effective immediately, WAFCS shall revoke Ocansey's access to and control over WAFCS' bank accounts or other assets. WAFCS shall ensure that Ocansey turns over all passwords and other sensitive information that pertains to those accounts and other assets.

25. Within 6 months following the Court's approval of this Assurance, WAFCS shall:

- (a) Terminate the employment of Ocansey; and
- (b) Notify all WAFCS employees, contractors, volunteers, and other agents of the termination of Ocansey's employment.

26. WAFCS may institute a transition period between Ocansey and the next executive director if it determines that such a period is necessary for the organization to continue to provide its services to the community in an effective manner. Such a transition period shall not extend further than 6 months from the date of the Court's approval of this Assurance.

27. Following Ocansey's termination pursuant to Paragraph 25, WAFCS shall not, whether directly, indirectly, or in combination with or through any other person or entity:

- (a) Allow Ocansey to serve or act as a director, officer, employee, independent contractor, consultant, or other representative of WAFCS, or to otherwise have any control over managing, overseeing, or administering the finances, operations, or other affairs of WAFCS;
- (b) Pay any compensation or otherwise confer any financial benefit on Ocansey, with the exception of the funds that the board has retroactively approved as Mr. Ocansey's salary;
- (c) Transfer any WAFCS money or assets to, guarantee or pledge WAFCS assets as security for an obligation of, become a surety for, or otherwise financially assist Ocansey, with the exception of the funds that the board has retroactively approved as Mr. Ocansey's salary;
- (d) Allow Ocansey to have access to or otherwise exercise any control over any WAFCS assets, including any WAFCS bank or other financial account; or
- (e) Allow any person associated with Ocansey to engage in any of the conduct prohibited by this paragraph.

28. Each member of the reconstituted board of directors shall govern WAFCS and adhere to their fiduciary duties in a manner that comports with the organization's bylaws and Minnesota state law.

29. WAFCS' executive director, treasurer, and secretary shall fulfill their officer duties and adhere to their fiduciary duties in a manner that comports with the organization's bylaws and Minnesota state law.

30. Within 6 months following the Court's approval of this Assurance, WAFCS' directors shall:

- (a) Conduct an internal audit of WAFCS' finances from at least 2020 through the present;
- (b) Evaluate WAFCS' claims and remedies arising out of the audit;
- (c) Determine whether it is in the best interest of WAFCS to pursue any such claims and remedies; and

(d) Pursue any claims and remedies found to be in WAFCS' best interest.

31. Effective upon execution of this Assurance and at all times going forward,

WAFCS' directors and officers shall:

(a) Maintain and strictly comply with appropriate bylaws, policies, and procedures, and with Minnesota and federal law, including but not limited to fiduciary duties, conflict-of-interest requirements, and registration and reporting requirements;

(b) Follow the procedures set forth in Minnesota Statutes section 317A.255 restricting and imposing conditions on transactions with related parties;

(c) Maintain detailed, accurate books and records of the nonprofit's finances as required under Minnesota Statutes sections 309.54 and 317A.461;

(d) Regularly schedule and attend board meetings, have sufficient and appropriate knowledge of and familiarity with the operations and affairs of WAFCS, and act consistently with the fiduciary duties and other standards of conduct imposed on directors and officers of nonprofit organizations as set forth in applicable law, including the Minnesota Nonprofit Corporation Act, Minn. Stat. ch. 317A, the Minnesota Supervision of Charitable Trusts and Trustees Act, Minn. Stat. §§ 501B.31-.45, and common law;

(e) Ensure that the entire board has visibility into and access to all financial accounts, including regular review of account statements and expenses. *See* Minn. Stat. § 317A.461, subd. 2. The board should discuss all transactions that raise concerns at board meetings, keep unambiguous and accurate meeting minutes documenting such discussions, and vote on how to handle these transactions. The board should also ensure that funds donated or granted to WAFCS for specific purposes are segregated and tracked separately;

(f) Take reasonable steps to ensure that none of WAFCS' monies or other assets are expended or otherwise used for an improper purpose, including a purpose in violation of section 501(c)(3) of the Internal Revenue Code, Minnesota Statutes sections 501B.31-.45, or other applicable law;

(g) Ensure all directors and officers obtain sufficient training to apprise them of their duties under Minnesota law; and

(h) Review WAFCS' food purchasing practices and ensure strict compliance with all legal requirements related to purchasing food.

32. Within 60 days of the Court's approval of this Assurance, WAFCS will register with the AGO, as required by Minnesota Statutes chapters 309 and 501B, or provide the AGO proof of an applicable exemption to the registration requirements.

GENERAL TERMS

33. WAFCS understands that, after the date of the approval of this Assurance by the Court, a violation of this Assurance may subject them to sanctions for contempt pursuant to Minnesota Statutes section 8.31, and the AGO may thereafter, in its sole discretion, initiate legal proceedings against the violating party for any and all violations of this Assurance.

34. In consideration of the stipulated relief, the sufficiency of which is acknowledged, the AGO, upon approval of this Assurance by the Court, hereby fully and completely releases WAFCS from any and all claims of the AGO under Minnesota Statutes chapters 317A, 501B, and 309 arising out of the allegations contained in this Assurance, up to and including the date of this Assurance. The AGO through this Assurance does not settle, release, or resolve any claim against any individual, entity, or person other than WAFCS, including against any current or former board members, officers, employees, or other agents of WAFCS not a party to this Assurance. The AGO through this Assurance does not settle, release, or resolve any claim against WAFCS or any other person or entity involving any private causes of action, claims, and remedies, including but not limited to private causes of action, claims, or remedies provided for under Minnesota Statutes section 8.31. This release does not apply in any way to claims of any other State of Minnesota agency, department, official, or division.

35. WAFCS shall not state or imply, directly or indirectly, that the State of Minnesota or the AGO has approved of, condones, or agrees with any conduct, actions, or inactions by WAFCS.

36. Nothing in this Assurance shall relieve WAFCS of its obligations to comply with all applicable Minnesota and federal laws and regulations, and court or administrative orders and directives.

37. WAFCS, after having an opportunity to consult with counsel, knowingly, intelligently, and voluntarily waives its respective First Amendment rights to the extent, if at all, such rights are inconsistent with any of the terms of this Assurance.

38. If this Assurance is violated, WAFCS agrees that any statute of limitations, statute of repose, or other time-related defense applicable to the subject matters of the allegations in this Assurance, and any claims arising out of or relating thereto, are retroactively tolled from and after the date of this Assurance.

39. The person signing this Assurance for WAFCS warrants that its board of directors has authorized the person to execute this Assurance, that he or she executes this Assurance in an official capacity that binds WAFCS and its successors, and that WAFCS has been fully advised by its counsel or has voluntarily forgone such advisement before entering into the Assurance.

40. This Assurance may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement. This Assurance may be executed by facsimile or electronic copy in any image format.

41. This Assurance constitutes the full and complete terms of the agreement entered into by WAFCS and the AGO.

42. Service of notices or other documents required or permitted by this Assurance shall be served on the following persons, or any person subsequently designated by the parties to receive such notices, by mail and email at the addresses identified below, and WAFCS shall promptly notify the AGO of any change to the contact information listed below:

As to the AGO:
Karthik Raman, Assistant Attorney General
Minnesota Attorney General's Office
445 Minnesota Street, Suite 1200
St. Paul, Minnesota 55101
karthik.raman@ag.state.mn.us

As to WAFCS:
West African Family & Community Services
ATTN: Board of Directors
7200 Brooklyn Blvd, Brooklyn Center
Minnesota 55429-5542

With copy to WAFCS' legal counsel:
Jennifer Urban
Legal for Good PLLC
5353 Gamble Dr., Suite 320
St. Louis Park, MN 55416
jenn.urban@legalforgood.com

43. The failure of a party to exercise any rights under this Assurance shall not be deemed to be a waiver of any right or any future rights.

44. This Assurance, including any issues relating to interpretation or enforcement, shall be governed by the laws of the State of Minnesota.

45. Nothing in this Assurance shall be construed to limit the jurisdiction, power, or authority of the State of Minnesota or the AGO, except as expressly set forth herein.

46. The AGO shall have all powers and remedies specified by Minn. Stat. §§ 8.31, 309.553, 309.57, 317A.813, 501B.40, 501B.41, and all other authority otherwise available to it for purposes of investigating and remedying any violations of this Assurance.

47. Each of the parties participated in the drafting of this Assurance and agree that the Assurance's terms may not be construed against or in favor of any of the parties by virtue of draftsmanship.

48. Each party shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out this Assurance, including that WAFCS shall promptly comply with any reasonable request from the AGO for information regarding verification of compliance with this Assurance.

49. The AGO may file this Assurance with the Court without further notice to WAFCS, and the Court may approve of and enter this Assurance *ex parte* and without further proceedings.

50. The Court shall retain jurisdiction of this matter for purposes of enforcing this Assurance, and all signatories hereto consent to the jurisdiction of the Court for the purposes of enforcing this Assurance.

KEITH ELLISON
Attorney General
State of Minnesota

Dated: 01/14/2025

By: /s/ Karthik Raman
Karthik Raman
Assistant Attorney General

WEST AFRICAN FAMILY & COMMUNITY
SERVICES

Dated: 01/13/2025

By: Dr. Fatima Lawson, Board Chair
[INSERT NAME] Lawson
[INSERT TITLE]

ORDER

Having reviewed the terms of the foregoing Assurance of Discontinuance, which is incorporated herein by reference, and which the Court finds reasonable and appropriate, it is SO ORDERED.

Date: _____

Judge of District Court

LET JUDGMENT BE ENTERED ACCORDINGLY.