

March 12, 2009

On December 13, 2008, the Mid-Atlantic Rugby Football Union (MARFU) held its Annual General Meeting (AGM) and officer elections. At the meeting, MARFU elected a new Treasurer. Since the elections, the MARFU Executive Committee has discovered what appears to be serious misuse of the MARFU checking account by the past President and past Treasurer. The checking account records indicate that these past MARFU officers had regularly used the MARFU checking account and MARFU debit cards to pay for apparent personal expenses.

Upon discovering the irregularities in the MARFU checking account, the Executive Committee immediately terminated the account access of the past President and past Treasurer and began a detailed investigation into the extent of the apparent misuse. After almost three months of investigation, the Executive Committee has found evidence suggesting that the past President and past Treasurer appear to have improperly utilized more than \$150,000 of MARFU's funds for their own personal uses.

The Executive Committee is continuing to investigate the apparent misappropriation of MARFU's funds, but it believes the evidence it has gathered to date is incontrovertible. MARFU is pursuing all disciplinary and legal options available to recover the apparently misappropriated funds. In addition to the legal actions, the past President and past Treasurer have been removed from all rugby administrative positions within the LAUs, MARFU, and USA Rugby.

Despite the size of the apparent misappropriation, MARFU is presently in satisfactory financial shape. MARFU has money to fund its budget and programs, both through existing funds in the account and through incoming LAU dues. Additionally, there are NO discussions to raise dues to make up for any budgetary shortfalls. MARFU also has instituted controls to prevent future misuse of its funds.

MARFU and its Board of Directors, like its member LAU and club organizations, places great trust and faith in its elected officers. The idea that financial wrongdoing could occur never crossed anybody's mind, particularly in light of the quarterly budget reports the past Treasurer provided that made it appear as though the finances were accurate. Since discovering the abuse, the Board continues to review the process to ensure a situation like this never occurs again.

Please direct any questions regarding this matter to the MARFU Executive Committee.

MARFU Executive Committee  
Kris Kabza, President  
Eric Pittelkau, Vice President  
Carl Ostermann, Treasurer  
Marsha Durocher, Secretary  
Jay Abom, At-Large