

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
CHARITIES DIVISION**

<b>IN THE MATTER OF:</b>	)	
	)	
<b>Project Veritas</b>	)	<b>Administrative Proceeding</b>
<b>1214 West Boston Post Road, No. 145</b>	)	<b>Number: <u>C-14-1207</u></b>
<b>Mamaroneck, NY 10543</b>	)	
	)	
<b>Respondent</b>	)	

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**CONSENT AGREEMENT**

The Charities Division of the Mississippi Secretary of State's Office ("Division"), having the authority to administer and to provide for the enforcement of all provisions of the Mississippi Charitable Solicitations Act ("Act"), and Project Veritas ("Respondent") does hereby enter into this Consent Agreement in resolution of the following allegations by the Division of violations of certain provisions of the Act:

**I. JURISDICTION**

Respondent admits to the jurisdiction of the Division as to all matters contained herein under the authority of the Act.

**II. FINDINGS**

1. Project Veritas was a registered charitable organization with the Division. This registration expired on July 27, 2014. Respondent's stated purpose on file with the Division is "to investigate and expose corruption, dishonesty, self-dealing, waste, fraud, and other misconduct in both public and private institutions in order to achieve a more ethical and transparent society."

2. The Respondent submitted a completed application for renewal on December 1, 2014. This application package included a Unified Registration Statement (“URS”) and a notarized affidavit of solicitation.
3. On Question 14(B) of the 2014 URS submitted by Project Veritas, the Respondent marked that none of the organization’s officers, directors, or principal executives had been convicted of a misdemeanor or felony. Project Veritas believes it had previously disclosed this information in its incomplete and unprocessed 2012 renewal application.
4. Additionally, Attachment 2 and Attachment 3 to the URS represents that James O’Keefe is President, has primary responsibility for custody and distribution of the fund raising proceeds, and has sole authority to sign checks.
5. The affidavit of solicitation stated Respondent solicited Five Hundred and Seventy Two Dollars (\$572.00) from 264 Mississippi residents during the period of non-registration.
6. Upon further investigation, the Division learned that the James O’Keefe pleaded guilty to one misdemeanor charge of entry by false pretenses to real property of the United States in violation of 18 U.S.C. § 1036(a)(1), (b)(2), and (2) on May 26, 2010.

### III. APPLICABLE LAW

7. Miss. Code Ann. § 79-11-503(1) sets forth:

**Registration statement; filing fees; forms; records; exceptions.**

(1) Except as otherwise provided in Section 79-11-505 and prior to any solicitation of contributions, every charitable organization as defined in Section 79-11-501 which solicits or intends to solicit contributions by any means whatsoever shall file a registration statement with, and pay a filing fee of Fifty Dollars (\$50.00) to, the Secretary of State. A registration statement that contains false, misleading, deceptive or incomplete information or documentation shall not be considered sufficient.

8. Miss. Code Ann. § 79-11-519(3)(e) sets forth:

(3) It shall be a violation of Sections 79-11-501 through 79-11-529 for any person:

....

(e) To fail to comply with the requirements of Sections 79-11-501 through 79-11-529 or any rule or order thereunder;

9. Miss. Code Ann. § 79-11-519(4)(h) sets forth:

(4) It shall be a violation of Sections 79-11-501 through 79-11-529 for any charitable organization:

....

(h) To employ as an officer, director, partner, employee or agent any person who has been convicted of a felony or misdemeanor involving misrepresentation, misapplication or misuse of the money or property or another, in a capacity where that person has access to or control over the funds of the charitable organization.

10. Miss. Code Ann. § 79-11-509 (4) sets forth:

(4) Whenever it appears to the Secretary of State that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order hereunder, he may, in his discretion, seek one or more of the following remedies in addition to other remedies authorized by law:

(a) Issue a cease and desist order, with or without a prior hearing against the person or persons engaged in the prohibited activities, directing them to cease and desist from further illegal activity;

(b) Administratively dissolve or seek the judicial dissolution of a domestic corporation that is a charitable organization, or revoke the certificate of authority of a foreign corporation that is a charitable organization; or

(c) Issue an order imposing an administrative penalty up to a maximum of Twenty-five Thousand Dollars (\$25,000.00) for each offense, each violation to be considered as a separate offense in a single proceeding or a series of related proceedings;

(d) For the purpose of determining the amount or extent of a sanction, if any, to be imposed under paragraph (b) or (c) of this section, the Secretary of State shall consider, among other factors, the frequency, persistence and willfulness of the conduct constituting a violation of this chapter or a rule promulgated thereunder or an order of the Secretary of State, the number of persons adversely affected by the conduct, and the resources of the person committing the violation.

#### IV. CONCLUSIONS OF LAW

11. Respondent violated Miss. Code Ann. § 79-11-503(1) by soliciting charitable contributions while unregistered.
12. Respondent violated Miss. Code Ann. § 79-11-519(4)(h) by employing James O'Keefe as President with access to or control over funds.
13. Respondent violated Miss. Code Ann. § 79-11-519(3)(e) by failing to comply with the requirements of Miss. Code Ann. § 79-11-503(1) by submitting an inaccurate answer to Question 14B and therefore not sufficiently filing a registration statement.

#### VII. STIPULATIONS

NOW, THEREFORE, it is hereby agreed as follows:

14. Respondent admits to the jurisdiction of the Division as to all matters herein.
15. Respondent neither admits nor denies that its conduct was in violation of the Act.
16. The Division shall impose an administrative penalty upon the Respondent in the amount of Three Hundred Fifty Seven Dollars and Twenty Cents (\$ 357.20) for soliciting contributions during a period of non-registration in violation of Miss. Code Ann. § 79-11-503(1).
17. The Division shall impose an administrative penalty upon the Respondent in the amount of Seven Hundred Fifty Dollars (\$ 750.00) for employing as an officer a person that has been convicted of a misdemeanor involving both misrepresentation and the misuse of the property of another in a capacity in which that person has access and control over the funds of the charitable organization in violation of Miss. Code Ann. § 79-11-519(4)(h).

18. The Division acknowledges that Project Veritas was not attempting to intentionally mislead the Division with its answer to Question 14B.
19. The Division, with that acknowledgment, shall impose an administrative penalty upon the Respondent in the amount of Seven Hundred Fifty Dollars (\$ 750.00) for submitting an inaccurate answer to Question 14B and therefore not sufficiently filing a registration statement in violation of Miss. Code Ann. § 79-11-519(3)(e).
20. Respondent shall remit the entire payment of One Thousand Eight Hundred Fifty Seven Dollars and Twenty Cents (\$ 1,857.20) to the Division, payable to "Mississippi Secretary of State," upon execution of this Agreement no later than January 30, 2015.
21. Respondent has freely decided to withdraw its application for registration with the Division and provide a sworn statement signed by an officer of Project Veritas certifying that it has ceased charitable solicitations within the State.
22. Should Project Veritas wish to register with the Division in the future, Project Veritas shall comply with the Division's rules and regulations, and will submit a complete and accurate registration application. A willful failure to comply with any of the terms, conditions or obligations of this Agreement will result in the Respondent being deemed to be in violation of a lawful order made pursuant to the Act, and therefore, subject to the penalties available under the Act.
23. Respondent is aware of its right to a hearing on the matters set forth in the Agreement at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent hereby irrevocably waives its right to such a hearing.
24. Respondent acknowledges that it has read the Consent Agreement in its entirety and fully understands the rights, terms, and obligations contained therein.

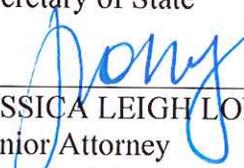
**V. OTHER MATTERS**

25. In the event that Respondent fails to comply with the provisions of this Agreement, the Division may, without notice to the Respondent, unilaterally rescind this Agreement and institute any legal or administrative proceedings it deems appropriate including, but not limited to, proceedings to address the matters set forth herein.

**WHEREFORE**, the undersigned hereby acknowledges and agrees to the terms and conditions of the foregoing Agreement by written consent.

C. DELBERT HOSEMANN, JR.  
Secretary of State

By: \_\_\_\_\_

  
JESSICA LEIGH LONG  
Senior Attorney  
Charities Division

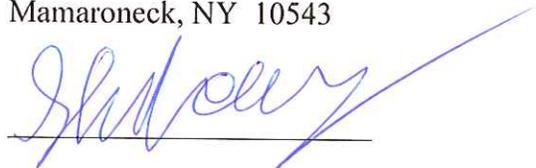
Date: \_\_\_\_\_

01/30/2015

The undersigned agent for Project Veritas acknowledges that he/she has been lawfully vested with the authority to enter into this Consent Agreement on behalf of the Respondent.

PROJECT VERITAS  
1214 W Boston Post Road  
No. 145  
Mamaroneck, NY 10543

By: \_\_\_\_\_

  
Shawn Sheehy  
Attorney for Project Veritas

Date: 01/30/2015