

Lawsuit demands audit of Ventura Village

Written by Al McFarlane Editor in Chief
Tuesday, 16 April 2013 10:00

Ventura Village resident James Cook has filed a lawsuit against Ventura Village Neighborhood Association (VVNA) and its board chair Bob Albee alleging actions of the organization's leadership and management are inconsistent with its by-laws and decisions made run counter to best practices in accountability and transparency.

In a statement to the press, Cook said the ultimate aim of the lawsuit is to:

- Require a full and independent audit, which the board has refused to perform for approximately five years
- Require VV board members to disclose conflicts of interest affecting fiduciary decisions
- Require that the board write and publish bylaws which allow full and fair participation by community residents
- Require that residents be given fair and adequate time to consider measures adopted by subcommittees
- Account for more than \$300,000 in unused reserve funds
- Encourage substantive neighborhood participation by African-American, Latino, Native, and South Asian residents

Cook is asking residents who "have ever been discouraged or prevented from participation by Ventura Village Neighborhood Association," to contact him via Email: eastventuravillageassociation@gmail.com or by calling 612-293-5188.

Cook charges that the VVNA controls more than \$300,000 in funds which are meant to benefit undeserved residents and revitalization efforts in Ventura Village. He says this funding has been controlled by a small group of people for more than two decades. This small group of people works diligently to prevent information about those funds from being disseminated to residents who need them most.

Cook said the lawsuit stems from a personal dispute with a former tenant in his property. When he evicted the tenant the VVNA allowed the tenant to make disparaging remarks about Cook, but did not provide Cook equal time on the matter to get closure, he said. "I was stonewalled at every turn. As a result, I started asking questions about procedure and demanding equal time and equal access to information. Bob Albee, Chairman of VVNA, denied every request and made up the rules for participation as he went along," he said.

"Throughout this process I have discovered that the board takes many actions that do not pass the proverbial 'smell test,'" he said in a letter to Ventura Village residents. "I have the right to demand fair and equal access to my neighborhood organization. So do you!" he said.

The lawsuit alleges VVNA board of directors has refused to perform a full financial audit since 2007, despite documented instances of commingling and misuse of funds.

VVNA is funded by The Minneapolis Neighborhood Revitalization Program (NRP) and governed by the Neighborhood Community Relations Department (NCR). Because the board has the responsibility of managing and disbursing NRP funds, the organization's bylaws require an audit within six months of the end of each year, when annual expenditures exceed \$10,000. The lawsuit alleges the board has denied numerous requests by members for financial audits and

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inspection of financial records.

The lawsuit says in October 2011, a board member "admitted to the misuse and commingling of funds in an email to the general board. As a result, members requested board actions to rectify these issues through out 2012. The board and the board chairman always refused to respond."

On March 13, 2013, board member, Cecil Smith of Cornerstone Properties, proposed a measure that seeks to amend the bylaws so that future audits will only need to be performed every four years. However, the measure does not address the failure to perform previous audits according to Ventura Village bylaws or Hennepin County requirements, the lawsuit said.

The lawsuit alleges there are documented instances in 2011, where members of the association board commingled funds with personal accounts.

The lawsuit says efforts were to report these irregularities to the City of Minneapolis but "nothing has been done."

The association bylaws require a financial audit within six months of the end of each year when annual expenditures exceed \$10,000. The City of Minneapolis requires an audit every four years. Despite numerous requests for an audit by resident members, the board has refused to perform an audit in more than five years, the lawsuit charges.

Insight attempted to call Ventura Village to speak to Albee and left a message requesting a callback.