

Matthews residents want commissioner to resign over misrepresentation of nonprofit

By: Mark Barber

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MATTHEWS, N.C. - Channel 9 has uncovered that an organization the town of Matthews believed for years was a federal 501 (c) is not what the town claimed it was.

The organization called the Red Brick Partnership has received tens of thousands of taxpayer dollars from Matthews under the assumption it was listed as a 501 (c) with the IRS.

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Concerned taxpayers are expected to gather during Matthews' regularly scheduled Town Hall meeting at 7 p.m. Monday to publicly call for Commissioner John Urban's resignation.

The commissioner is the co-chair of the organization, so they want to hold him responsible for the misrepresentation of the nonprofit.

When Channel 9's Mark Barber questioned Urban, the commissioner said, "People make mistakes, we're all sinners, if I had a dollar for every mistake I made I'd be a wealthy man and that's just the bottom line from that standpoint."

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Urban said he just learned a few months ago that the organization he has overseen for a few years is not the 501 (c) nonprofit he thought it was.

"It's extremely painful," he said.

The Red Brick Partnership was created in 2015 to promote downtown Matthews.

Using taxpayer money, the organization started popular events such as First Thursdays, which draws dozens of families downtown every month for live music, food specials and shopping.

The organization is registered with the state as a nonprofit.

For years commissioners have given more than \$50,000 in taxpayer funds to the organization under the assumption it was also listed with the IRS as a 501 c nonprofit.

"It happened to be a mistake that the form didn't get filed," Urban explained.

Urban said the volunteer attorney who helped the partnership get started forgot to submit the 501 (c) application to the IRS in 2016.

Town officials never verified it was a 501 (c), they just believed it was, so year after year they kept writing more checks.

The mistake wasn't caught until the spring of 2018.

The Red Brick Partnership was trying to get a license to have alcohol at an event when one of its two board members realized they didn't have the federal paperwork they needed.

Barber asked Urban, "Should you have caught this problem sooner?" The commissioner responded by saying, "Should've, would've, could've. I don't know."

Some taxpayers don't think that answer is acceptable.

Gordon Clemmons said, "I think he's not fit for the job if he doesn't keep up with his own organization."

Clemmons filed a complaint with the IRS against the Red Brick Partnership after he said he asked for the nonprofit's financial records but couldn't get them.

"We need to know how our tax dollars are being spent," Clemmons said.

The IRS said no matter how big or small the nonprofit, if it's a 501 (c) it is required to file annual tax forms or an electronic tax notice that can be reviewed by the public.



"This is definitely very eye-opening, and I think at this stage in the game we need to be looking at a pay to hire situation," said Urban.

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To make sure nothing slips through the cracks with volunteers again, Urban said he wants to hire an attorney and a CPA to monitor the nonprofit on a full time basis.

He said, "The way to move forward with anything, you learn by your mistakes."

Moving forward may be difficult.

The nonprofit has now filed an application with the IRS to become a 501 (c) but waiting for approval can take up to six months.

In the meantime, the town is planning to freeze the \$20,000 it was planning to give to the partnership this year until it can confirm it is actually a 501 (c).

Channel 9 asked Urban how he would respond to calls for his resignation. He said, "If they want to have my job as a volunteer to help this great town, they can have at it."

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