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Feds probing fraud charge in Michigan AARP  
By DANIEL STURM

The U.S. postal inspector is investigating the possible embezzlement of almost \$46,000 in the Michigan headquarters of the AARP.

Bill Knox, a spokesman for the state office, which is in downtown Lansing, said the embezzlement involved fraud and was discovered in February 2001. A former employee is suspected of issuing phony invoices from a company the employee was connected with and mailing them to the national office to be paid. The employee quit about the same time irregularities were discovered. The spokesman said the resignation was not related to the irregularities.

A spokesman for the postal inspector's branch office in Detroit confirmed the investigation and declined to comment because it is still in progress.

A spokesman for AARP in Washington, Marty Davis, said an employee in the Lansing office reported it to AARP's Chicago regional office in February 2001. Sources said the employee in the Lansing office was a whistleblower who acted independently of supervisors.

The Chicago office investigated the matter for several months before reporting on it to AARP's board, which turned it over to the post office.

Asked why AARP members in Michigan were not informed of the situation, Knox said, "Frankly, since none of the money came from this office, nor did it harm any of the 1.5 million members of Michigan, we didn't think it was worth even a press release."

AARP is the nation's largest organization for seniors. More than 35 million members pay annual dues of \$12 each to the nonprofit organization. The AARP provides consumer information to members and lobbies on their behalf.

Sources said employees in the state office discovered the possible fraud

when they noticed a large number of invoices coming into the office.

A former AARP volunteer in the Michigan office complained in a letter to the national headquarters in March 2002 about how long it was taking to resolve the embezzlement case.

The volunteer, John Willson of Lansing, also said in the letter to AARP executive director William Novelli: "Why was the perpetrator not prosecuted? Was this in the best interest of the organization?"

Willson said he notified the Lansing Police Department in May 2002 of the possible fraud, but a detective in the department's consumer fraud division said the department deferred it to the post office.