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## Attorney general investigation shows no misuse of funds at WHLDC

by [Avantika Kumar](#)

An investigation by Attorney General Eric Schneiderman found that the West Harlem Local Development Corporation, the organization responsible for dispensing \$76 million of Columbia's money to the Manhattanville community, was not guilty of theft, fraud, or other misappropriation of charitable funds, Schneiderman announced Wednesday.

Meanwhile, a new agreement between Schneiderman and the group, which is planning to award [grants to local nonprofits in March](#), requires the WHLDC to carefully monitor recipient organizations, abide by a new conflict of interest policy, and increase public disclosure about how grants are approved and used.

[In a statement](#), Schneiderman said that despite his investigation's findings, the organization had not been fulfilling its purpose. It was "hindered by the board of directors' failure to develop clear policies and procedures for grant-making activities," the statement read.

"Charitable organizations have a responsibility to deliver their intended benefits to carefully evaluated applicants, while ensuring that their grant-making processes are open, transparent and free of conflicts of interest," Schneiderman, a former state senator representing Upper Manhattan, said.

The development corporation is responsible for dispensing the \$76 million in benefits to the neighborhood under the Community Benefits Agreement, signed in 2009 during negotiations over Columbia's Manhattanville expansion. But between 2009 and 2011, it only gave out one grant, for \$302,400.

The agreement's new conflict of interest policy states that no WHLDC member connected to a grant applicant can make decisions regarding that applicant.

"WHLDC's new grant-making procedures provide for the responsible distribution of funds to other not-for-profit organizations, taking into account the fiscal sponsorship arrangement put in place by the CBA, under which the benefits fund is held and disbursed directly by the fiscal sponsor," Schneiderman's statement read, noting that the development corporation had selected nonprofits Tides Center and Tides foundation as fiscal sponsors.

The WHLDC said in a statement that it was pleased with the investigation's results, and is moving forward with the grant process.

"We shall continue to live by the tenets of communication, transparency, and accountability," WHLDC Executive Director Kofi Boateng said in the statement, adding that the investigation's result "is a measure of confidence from which we cannot afford to falter."

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