

State Auditor Mike Foley Releases Audit of Lincoln-based Asian Community and Cultural Center

Alleged Financial Improprieties Exposed and Reported to Attorney General

For Immediate Release November 1, 2010

Contact: Mike Foley 402-471-2111

State Auditor Mike Foley announced today the release of an audit report on the Asian Community and Cultural Center based in Lincoln (Center). The audit was conducted at the request of the Lancaster County Board who learned of alleged financial improprieties at the Center and became concerned about the abuse of public funds granted to the Center.

The Center is funded by private donations as well as grants from the City of Lincoln and Lancaster County and from hundreds of thousands of dollars in Federal grants channeled to the Center through the US Department of Health and Human Services for refugee resettlement programs.

The Center's Executive Director, Modesta Putla, resigned in January of this year after a member of the Center's Board of Directors brought forward examples of peculiar financial transactions that directly benefited Ms. Putla and a private business owned in part by Ms. Putla (the recently closed [Peacock Indian Cuisine](#) restaurant in South Lincoln).

The audit details and confirms the impropriety of the transactions and Foley has now submitted his audit to the Office of the Attorney General for further investigation.

The report notes that Ms. Putla used her position as the Center's Executive Director to manipulate the accounting process over at least a three year period to grant her thousands of dollars of unauthorized pay raises, unauthorized vacation pay, improper expense reimbursements, and questionable payments to the [Peacock Indian Cuisine](#) restaurant owned by the Director and her husband.

Other improper payments found by the auditors included payments for auto repairs for Ms. Putla's personal vehicle, eye doctor bills, personal Lincoln Electric bills, and window coverings for the Peacock Restaurant.

The report contains a description and compilation of the alleged financial improprieties that totals over \$15,500. The improprieties went unnoticed by two CPA firms involved with the Asian Center. One firm handled the day-to-day accounting functions for the Center while the second CPA firm performed the Center's annual financial audit.

Foley complimented Asian Center Board Chairman, Robert Suarez, for taking his Board responsibilities seriously and for bringing the questionable matters to the attention of the Lancaster County Board and ultimately to the State Auditor's Office.

Since resigning from the Asian Center, Modesta Putla has been recently named the Executive Director of the Washington, DC based Asian/Pacific Islander Domestic Violence Resource Project.

A full copy of the report can be found on the State Auditor's web site (see link below) under "What's New"

<http://www.auditors.state.ne.us>