

## IRS Notice - 2020 Form 990

○ **Andrew Connelly** <connelly@sohkjudo.com>  
To: Andrew Connelly, Rob Reilly and 11 others

11/10/2021 7:15 PM

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The United States Judo Association has received a Notice, dated 25 October 2021, that the 2020 Form 990 has not been filed.

After having been sent several requests, former USJA President Celita Schutz and former USJA Treasurer Tamara Hemingway have refused to release any and all financial documents to the United States Judo Association.

This puts the United States Judo Association in a difficult position.

I am in the process of interviewing bookkeeping/tax service firms to determine the best course of action for reconstructing the financial books for the year 2020 so that the USJA can comply with the IRS Notice.

I will contact the Internal Revenue Service to ask for a filing extension.

I will keep you posted with current information as I receive it.

Andrew Connelly  
President  
USJA Board of Directors

ps: The USJA is also dealing with a tax problem with the State of New York that Schultz/Hemingway ignored.

**November 13, 2021**

**Celita Schutz's Response to Andrew Connelly's Nov. 10 email.**

Andrew:

Prior to addressing your November 10th e-mail, it's important to point out that we are not under any obligation to provide guidance, nor should the current Board have any such expectations. In our short term, we tried to understand USJA's predicament and provide solutions for the future. The result was massive criticism, social media slander, defamation, and intentional abuse of the S&E Committee. Let us also not forget the frivolous lawsuits lodged on the previous Board, me individually, and my personal dojo and full-time business.

The entire reasoning behind the December 2019 Board's vote to implement a staggered Board election was to provide guidance and assist with the transition to a new Board in 2021. Instead, Ed and I were swiftly removed from the Board, and we are still awaiting official notification with an explanation. Having just been removed from my position, I was no longer able to participate. I was told not to speak in the meeting and was placed on "mute" by you. I did notice that this current Administration now includes Michael Hall of Ashlex in Board meetings. Please recall, although conveniently not included in the Board Minutes of October 21, 2021, I stated that there were several issues that I believed needed to be addressed for the betterment of the USJA Organization and was willing to identify the issues if reached by phone or e-mail. No one reached out to me.

I thought it would be easier to solve these issues internally; however, since this Board is willing to disparage me without thought, I will reply publicly. For easy reading and reference, below please find some bullet-pointed items. Same also incorporates the response from Tamara Hemingway:

- Mark Tamulionis (Treasurer for 7-8 years) submitted his resignation on April 1, 2021;
- Bob Rush (President) submitted his resignation on April 6, 2021;
- I was appointed President on April 12, 2021 by the remaining Board members;

- Tamara Hemingway was appointed Treasurer on April 12, 2021. Due to her appointment being challenged, she was unable to take that position until late-May, 2021;
- When Tamara and I took office, no books, records, and/or resources were handed down to us. Rather, I was told by Michael Hall of Ashlex that I was the 5th President that he was now dealing with since he had been in control of managing the USJA database;
- When I first was provided access to the USJA Chase Bank Account, as President, I was shocked that the funds had been diminished to almost nothing. I was informed that when Bob Rush took office as President there had been at least \$60,000.00 in the bank account.
- When I brought up this disturbing fact to Michael Hall of Ashlex he advised me that things just somehow “work out” in the end. I did not think then nor did I ever believe that was a reliable plan;
- During closures and shut-downs of Covid, Michael Hall of Ashlex continued to be paid \$4,500 a week effectively depleting USJA financial security;
- As the newly appointed President, with a Treasurer of less than one week, we were facing a large insurance premium payment for which we did not have the funds to cover. For the sake of innocent and loyal Members, I made the payment out of my own pocket in the form of a loan to the USJA in the sum of \$4,454.21 to ensure that the Organization did not miss a payment or lapse in coverage over the Memorial Day weekend. (I was aware that we would soon be negotiating with a new insurer for our next year of coverage). For the record, I am still due to be paid \$891.00 in November and a final payment of \$890.21 in December;
- It was at this time I had learned that other people had provided loans to get the USJA out of tight spots and it was later in August when Gary Monto generously made a \$10,000 donation that made it possible for the USJA to provide insurance coverage to our members and clubs that the USJA otherwise could not afford;
- Upon being appointed President, I was also not given any explanation as to why the 2020 990 had not been addressed by the prior President or Treasurer;
- It was my understanding, however, that the previous accountant was owed money and there had not been sufficient funds in the USJA’s Bank Account to pay;
- The 990 should have been filed under the prior Administration (Rush and Tamulionis). By the time Tamara Hemingway became aware that the 990 had not been filed in June 2021, it was too late to file for an extension;
- Tamara made this known to me at which time I made it known to the Board. At that time Tamara was provided authorization to hire an accountant to address the issue;
- Tamara also learned at that time there was no accounting system such as Quick Books, and that no records of the Organization’s transactions were available beyond Bank Statements;
- Tamara used a General Ledger Template and reconciled the Bank Statements beginning from December, 2019 through December, 2020 for the 990. She was unable to get same to balance. The General Ledger was created from the only documentation Tamara was in possession of, which were the Bank Statements that were located online;
- The beginning of July, 2021 Tamara identified a firm (The Foundation Group) to complete the 2020 USJA 990 for a reduced fee which was approved by the Board;
- At this time Tamara also discovered that USJA does not maintain a physical or electronic corporate book of records. She had asked both Michael Hall and Michael Goldsmith (and to her recollection may have even asked Mark Tamulionis) where the corporate book of records was kept, and specifically, where she could find the IRS Letter of Determination. No one was able to provide an answer;
- Shortly after that the rumor of UJSA having lost its 501c Status began;

- Tamara provided all of the information for which she had access to The Foundation Group for the purpose of completing the 2020 USJA 990. However, The Foundation Group advised that same could not be completed as it was out of balance due to missing prior year and current year transaction details;

- *Tamara advised that now that you have received a notification from the IRS, The Foundation Group can apply, on behalf of the USJA, for a waiver of the IRS penalties and fees. She was advised they charge a fee of \$175 for this service;*

- The Foundation Group, Inc. is located at 1321 Murfreesboro Pike, Suite 610, Nashville, TN 37217. Their telephone number is 888-361-9445, 615-361-9445, or 615-361-9429;

- Beyond the attachments hereto, I nor Tamara Hemingway do not possess any USJA financial information which is not available to the current Administration. The current Administration has the same access to the USJA Chase Bank Account and online statements and has the ability to recreate the financial picture as Tamara had to do. The current Administration should also have the same access to the Cardworks merchant server and all PayPal accounts that were set up and managed by Michael Hall of Ashlex. We assume log-in and passwords have been changed and can be requested from Michael Hall. The current Administration will also discover how out of balance things are which is why The Foundation Group was having difficulty completing the 2020 990;

- Neither I, nor Tamara ignored a NY Tax Notification. I have no prior knowledge of this. If Michael Hall claims that it is in the "Ticket" system, please note that I asked him repeatedly to just copy and paste anything that was critical or urgent into an email as I was experiencing log-in issues and he recognized that there were syncing and categorizing issues that he was trying to fix.

For the record, we agree that USJA should hire a forensic auditor to review the financial records of this Organization. As a 501c (3), the operational expenses far exceed the normal percentage of a not-for-profit national organization. In the six months I was President, the membership increased by 220%. When I left the position, there was about \$8,000 in the account. We had begun strategic planning for large-scale fundraising and retention but were unable to initiate or complete plans due to the constant and intentional distractions. In the six months I was President, there were also many concerns that I had as it pertained to Michael Hall of Ashlex for which we were in the process of investigating. They are once again bullet points below for easy reading and reference:

- There were many red flags regarding detailed transactions that were being processed by Ashlex;

- One large red flag was that Michael Hall was listed as the primary "owner" on the USJA Bank Account. The Foundation Group saw this as a conflict in that the Organization's contract vendor had direct access to the bank account while being the largest expense payout of USJA. In fact, Michael had also set up his own wire transfers to himself with an increase of \$500.00 per week in early 2020 prior to full authorization and a signed contract;

- We discovered that Michael Hall and Marc Cohen are still listed on the Cardworks (merchant server) account and it was verified that they are still receiving monthly commissions on all USJA transactions. Michael Hall assured me that Marc Cohen was no longer affiliated with USJA's Cardworks account but after actually seeing both of their names on the account it proved otherwise. Tamara was never able to obtain detailed transaction reports from Cardworks or Michael Hall as there are two separate log-ins with different layers of information;

- Tamara tried to put in place a system of receiving itemized transactions; however, Michael Hall kept saying that the database was not designed to track this information;

- We received invoices from Michael Hall at Ashlex dating back to 2014 which did not match up with actual payments made to him by the USJA;

- In August 2021, when Michael Hall of Ashlex shut down the website and access to the USJA database, attempts were made to match USJA payments to Ashlex past invoices provided in bulk from Michael Hall. We discovered over a period of time, overpayment to Ashlex had been made and nothing could be fully reconciled due to incomplete information and the overwhelming time spent on securing another year of insurance coverage for the USJA while simultaneously trying to provide a fair election and then having to defend lawsuits to stop a fair election;

- There is evidence of at least three (3) PayPal accounts that had been set up by Michael Hall and used at various times over the years. The most recent one that Michael Hall had been using was [payments@usja.net](mailto:payments@usja.net) created in early 2020;

- There is evidence of fraudulent use of at least one PayPal account;
- Michael Hall stated frequently that he was told to “set up the database so transactions could not be tracked”. In fact, there are many statements made by Michael Hall that warrant a full investigation;
- It took quite a long time for Michael Hall to cooperate with Tamara’s requests for itemized transactions. He stated that his girlfriend/fiancé who recently arrived from Thailand was performing Tammy’s accounting requests for USJA since he has so many other clients to attend to;
- There were many basic performance issues with the database relating to e-mail distribution, sorting, and filtering of information;
- When Michael Hall shut down access to the database and took down the USJA website, he claimed that a lot of “back money” was owed to him. This was never fully verified. We could not rationalize using membership money of 2021 to pay bills that he alleged was owed to him as far back as 2014 without real records and/or proof;
- We had begun research on alternative data management companies and found that some will provide the USJA with 100% intellectual, software, and property rights unlike Ashlex’s current contract and for a substantially lower fee to ensure that the USJA could never be held hostage again.

**Andrew, my suggestions to you are as follows:**

- Hire and perform a forensic audit of all USJA transactions;
- Replace the USJA merchant server with a company not affiliated with members who have been expelled or who are associated with the organization;
- Investigate present and past PayPal accounts for legitimate and illegitimate purchases and transactions;
- Acquire bids for an arms-length data management provider that will not interfere with organization policy and finances;
- Review current counsel’s role and past actions to see if they coincide with the New York Bar Association Professional Standards;
- Carefully review the S&E Complaint and accompanying evidence which resulted in the prior Board’s recommendation to not allow one of your current Board Members to hold any Office. Notwithstanding the potential liability being placed upon the USJA Organization by having him remain in Office, but it also puts all members of all affiliated clubs at risk under the Safe Sport Act.

As noted above, the staggered Board was set in place years ago for a reason. Both Ed and I were willing to remain in these unpaid and voluntary positions to assist in any way we could for a smooth transition. For reasons known only by the current Board, we were swiftly removed. Unfortunately, by its own actions, the current Board now appears to own the multitude of issues that the prior Board had only begun to uncover.

Finally, by recommendation of my own Dojo’s membership, I and my Dojo (Kokushikai Judo Academy) have begun officially disassociating with the USJA. No new members will be enrolled and all current members will remain until expired, then enrolled with another organization.

We cannot in good faith continue to put time, talent, or money into an organization that has deep level issues of where the money goes while having a lack of trust of the people in the leadership positions who have obvious personal destructive agendas.

**Sincerely,**

**Celita Schutz**

**3x USA Judo Olympian**

**Head Instructor/Owner of Kokushikai Judo Academy**

## Select files

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### Outstanding Balances & Loans / Repayment Schedule

Owed to:	Original Loan/Balance	Payment Plan	Payments	Date	Current Balance
Michael Hall (Verbal-C. Schutz)	\$4,646.25	Unpaid bal pd 8/?? \$750; 9/?? \$823 final pyt			
			\$2,323.25	6/9/2021	
			\$750	7/14/2021	\$1,573
Michael Hall (Written-B. Rush)	\$1,548.75	\$200.75 1st mo, \$200/mo for 6 mos; \$148 final mo		3/11/2021	
					\$1,548.75
Celita Schutz	\$4,454.21	\$891 x 4 months		8/1/2021	
		890.21 x 1 month	\$891	8/13/2021	\$3,563.21
			\$891	9/17/2021	\$2,672.21
			\$891	10/2/2021	\$1,781.21
Wykoff & Associates	\$2,007.41	\$350.41 first mo; \$350/mo for 4/mos; \$257 final mo		10/1/2021	
			\$350.41	10/2/2021	\$1,657