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**Charity director under fire**

Money allegedly misused by man with Ryan ties

By Dave McKinney and Tim Novak

Staff reporters

The ex-director of a charity Gov. Ryan's wife led to keep kids off drugs is the focus of a criminal investigation for allegedly misspending up to $700,000 in state funds on family trips, a pet's medical bills and other personal expenses.

Until the board fired him last year following its investigation, David Noffs also spent the Life Education Center's money on pay-per-view wrestling matches, college tuition, a hot-air balloon ride, thousands of dollars in restaurant tabs and contracts to a board member.

Noffs gave his wheelchair-bound wife a full-time job while she was already working full time elsewhere. And Noffs, a member of the governor's transition team, gave the charity's insurance business worth $35,000 to the governor's only son, George H. Ryan Jr.

All of it occurred while Lura Lynn Ryan was the unpaid president or an unpaid board member of the charity that drew up to 92 percent of its money from state taxpayers. Ryan left the charity last February when all the board members resigned.

"I was disappointed, absolutely. This was a program I put my life into, practically," she said.

Noffs' replacement at the Elmhurst charity said the mismanagement of the charity reminded her of the secretary of state scandal that limited Ryan's husband to one term in the governor's office.

"I think Mrs. Ryan opened a lot of doors that probably wouldn't have opened for this agency as quickly as they did," said Susan Van Veen, the charity's executive director. "A lot of money came in to help this agency do the job it needed to do. But unfortunately, once that money got here, how the money was used was not well-scrutinized."

Noffs was fired in May 2000. Five months later, the board took the allegations against Noffs to Attorney General Jim Ryan, whose office is conducting a criminal investigation. Ryan and her family are not targets of the probe, said Dan Curry, a spokesman for the attorney general.

Former board member Jon Swanson said the board was misled by Noffs, his wife, Laurie, and her father, George Larsen, who served as the charity's treasurer. The three also were board members until they were fired last year.

"Since there were three members all from the Noffs family, it wouldn't be hard for them to do things without the board knowing about it," Swanson said.

Ryan said she never had any hint of wrongdoing. "You get a financial statement on a board and it doesn't say anything specific ... unless someone brought those things to our attention," she said. "When it was finally brought to our attention we acted, and that's all I can say."

Noffs and his attorney refused to talk about the allegations.

Noffs, 44, was elected to the Elmhurst city council last spring. He was among the Elmhurst officials sworn in by Attorney General Jim Ryan.

"Clearly, I'm being unfairly targeted here," the Australian-born Noffs said. "I established this organization with blood, sweat and tears. My whole family has been involved in this. I set it up in this country from zilch. It's a great mission and principle."

The Life Education Center, still highly touted by several suburban school officials, uses mobile classrooms to warn young children about the dangers of drugs, alcohol and tobacco. Noffs' father created the program in Australia more than 20 years ago. They branched out to the United States in 1986, opening a franchise in Elmhurst.

Noffs soon became friends with the Ryans. At the time, George Ryan was lieutenant governor overseeing drug-prevention programs. Noffs hired Ryan's son as assistant national director, a job he held for a year.

Ryan became a board member in 1987 when the charity got its first state grant worth $20,833. At its funding peak in 1998, the charity got $1.5 million from the state. Overall, the charity has gotten $5.6 million from taxpayers.

As far back as 1995, Noffs faced questions about his spending habits from state auditors, who found "serious and significant" problems, many of the same problems that led the board to fire Noffs last year.

The audit was never shared with the full board, according to a board report issued last year. The audit was discovered after the board hired the law firm of Pedersen & Houpt in 1999 to investigate Noffs' spending, the report said.

Board members became suspicious of Noffs' spending habits about two years ago when he was unable to justify some expenses. They hired the law firm and put Noffs on paid leave in December 1999, just days before Gov. Ryan hosted a millennium ball at Navy Pier that raised $50,000 for the charity. Noffs was fired five months later, and the board eventually turned the case over to the attorney general because of Pedersen & Houpt's findings.

According to a report from the law firm, Noffs gave a contract to a consulting firm tied to board member Yesse Ben Yehudah without the board's approval. Yehudah's charity then hired Noffs and his wife. Yehudah was asked to resign shortly after Noffs was fired.

When House Republican Leader Lee Daniels (R-Elmhurst) and George Ryan, who was then secretary of state, helped get a $1.2 million grant for the Life Education Center, Noffs gave $123,550 to Yehudah's nonprofit group called FORUM.

Noffs acknowledged spending charity money for personal expenses in his letter to the board.

"It was not my intention to hide' such expenditures, and all were, in fact, reported to LEC staff," Noffs wrote. "In each such instance, it WAS my intention to reimburse LEC for the non-LEC related expenditure. While I apparently failed to make such reimbursement, it is my full intent and my solemn promise to reimburse LEC for every dollar thus inappropriately spent."

No such payments have been made, Van Veen said.

With Noffs gone and a board she handpicked, Van Veen hopes to recover some of what she believes Noffs took. She also attempted to clean house in other ways, which included firing George Ryan Jr. as the charity's insurance agent this year.

"I cut him loose because of appearances," she said. "I was really attempting to take this organization in a different direction.

"He was mad at me," Van Veen said. "He called me up and read me the riot act: How dare I, and did I have the board's permission to do this, and did I know who he was, and how can I take his livelihood away from him."

The governor's son didn't return a telephone call.

The previous board was more interested in protecting the governor and his family from another embarrassing scandal than in pursuing criminal charges against Noffs, Van Veen said.

"That was stated to me by board members--they didn't want to embarrass the Ryans," Van Veen said. "They felt that if they took this through the normal paths, the press would get all over it, and George Ryan was already taking enough heat for the secretary of state scandal. If [Noffs] would have paid up, they would have never taken it [to the attorney general]."

Former board member Tari Marshall Sliz, a Ryan family friend, said the board was trying to protect the charity, not the Ryans, when they hired the law firm to investigate Noffs, rather than going to the police.

"We wanted to make sure the organization could continue, and we were also hoping we might receive some return of assets from David Noffs," Sliz said.

Mrs. Ryan still has high praise for the program, calling it a "wonderful, wonderful educational tool. ... It's unfortunate that this happened."