



Chicago Metropolitan Sports Association

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Chicago Metropolitan Sports Association files lawsuit against former treasurer for fraud, misappropriation, and personal gain from nonprofit's funds

Board seeks restitution; reports case to State's Attorney

CHICAGO – Results of a recent financial audit by an outside firm prompted the Chicago Metropolitan Sports Association to file a lawsuit today in the Circuit Court of Cook County seeking damages and restitution from the former Board treasurer for fraud and misappropriations of funds.

CMSA attorneys filed the five-count complaint against former CMSA treasurer Michael O. Rice II of Chicago, who served as the Association's treasurer for eight years until July 31, 2020, after he was not re-elected to the board. According to the complaint, during Rice's time as treasurer he engaged in a pattern of misappropriation and fraud, issuing checks to himself, inventing false justifications for the checks, cashing the checks, and concealing his activities from the board of directors and officers. The lawsuit also says Rice acted intentionally, willfully, and maliciously in flagrant breach of his fiduciary responsibilities to CMSA.

Also among the allegations are charges that Rice undertook a two-week campaign between July 21 and August 3, 2020, to alter hundreds of fraudulent checks in CMSA's accounting system to cover up his activities, and that he worked to delay a formal audit of CMSA as recently as last year. The amount of suspect checks and transactions identified so far in the investigation totals more than \$160,000.

"This discovery was shocking and deeply disappointing to us all," said CMSA Board President Lindsay Frounfelkner. "Once the auditor's review indicated a high likelihood of misconduct, our Board immediately enlisted legal counsel to further investigate and to take action on behalf of CMSA's members. We pledge to do all we can to seek restitution for our not-for-profit organization."

In the lawsuit, CMSA is asking the court to award damages in the full amount of all misappropriated funds, plus punitive damages, and the cost of the lawsuit.

CMSA also intends to cooperate fully with law enforcement, and its legal counsel will be providing a copy of the lawsuit and additional supporting details to the office of the Cook County State's Attorney, Kim Foxx. The organization has also suspended Rice's membership, removing him from his role as softball commissioner and prohibiting him from participating in any CMSA leagues or activities pending further disciplinary action as the investigation proceeds. Revocation of Rice's membership requires a hearing and a Board vote.

The Board continues an active investigation, which is being directed by an independent committee of Board members, comprised entirely of members whose tenure did not overlap with Rice's time on the board. Serving on the independent committee are board members Michael Richardson, Kyle Palmer, Jeremiah Stevens, and Jason Topping.

"We have a caring, volunteer board that is working to serve our members and to make the Association stronger during this challenge," said Stevens. "The board is actively conducting policy and operations reviews to help prevent something like this from happening again."

Making transparency a priority in this investigation, the Association is making the entire complaint filed today against Rice available on the CMSA website www.chicagomsa.org.

CMSA is a not-for-profit association dedicated to providing a safe and inclusive environment for LGBTQ+ individuals to participate in recreational sports.

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