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## Casa Ruby executives deny having authorized salary increases and expenses to Corado

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IRREGULARITIES. The second report from the Wanda Alston Foundation to Casa Ruby by order of the DC Superior Court, shows that there are numerous irregularities. Photo: courtesy of Casa Ruby.

Little by little, more details are coming out in light of irregularities in the handling of the funds of the LGBTQ organization Casa Ruby in Washington DC and that it was directed and managed entirely by Ruby Corado.

The latest report from the Walda Alston Foundation, trustee in the investigation, points out, among other things, that the director of Casa Ruby did not pay taxes on labor remuneration, nor did she present details about the payment of salaries and labor benefits of the organization's employees.

Similarly, it indicates "absence" of records of official business, meetings and administrative procedures that had to be carried out by the Board of Directors of the entity.

[Thousands of immigration documents, driver's licenses and undelivered letters to Casa Ruby users](#)

In the document filed with the Superior Court of DC last week, it also highlights that three people listed on tax returns as members of the board of directors and that the accountants of the firm Ayala Vado y Asociados, in charge of Casa Ruby's financial reports, hold the director responsible for the failures found.



UNJUSTIFIED. The accounting firm Ayala, Vado y Asociados, said in the investigation that Casa Ruby did not present documents to justify the excessive expenses. Photo: Courtesy of Casa Ruby

"The statements of some members of the Board of Directors suggest that the director acted without any authorization to open parallel companies and when taking substantial increases in workers' compensation," says the document, which was received by Judge Danya Dayson.

Bank reports of Casa Ruby's accounts obtained during the audit of the organization's finances, for allegations of irregularities and embezzlement, show that director Ruby Corado allegedly stole \$420,000 in cash from ATMs in the United States and during her trips to El Salvador in 2021.

The documents also detail that cash withdrawals, between April and September of that year, include two transactions of \$ 100 thousand made in a week, "numerous movements of money in CashApp" and other "diverse" withdrawals of \$ 505.65 each, in ATMs located in El Salvador.

In addition, in September 2021, Corado made several payments totaling \$170,000 to the cargo and transportation company TI Global Logistic. A source close to the process said on condition of anonymity that these payments were to transport merchandise that Corado bought in the United States and sent to El Salvador.

By the time the audit began, Casa Ruby's bank accounts had less than \$15,000 and because they were linked to Corado's personal accounts, a court order was necessary for the banking institutions to hand over the information and transaction history, the document states.

The new data indicate that Corado used the organization's bank accounts for "other parallel ventures" to Casa Ruby's work, "without there being separation of expenses."

Of the people interviewed during the investigation who appear to be members of Casa Ruby's Board of Directors, none could provide evidence that the meetings mandated by law to discuss expenses, operations and salaries of the organization were held.

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WITHOUT AUTHORIZATION. The report also notes that the organization's Board of Directors never reviewed, nor did it endorse the director's expenses. Photo: Casa Ruby

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## **Who is responsible?**

According to statements from the accounting firm Ayala, Vado y Associate, "the company repeatedly expressed its concern to the director of Casa Ruby because the organization was not making payroll tax payments in a timely manner and tried to convince Corado to correct the situation."

Ayala, Vado y Asociados, under the signature of Nelsón Ayala, one of its owners, was the entity in charge of financial reporting and drafting Casa Ruby's tax return from 2016 to 2020. The company responded to the receiver's request for information, until the DC Court ordered a formal subpoena.

The document also points out that Ayala, Vado y Asociados assured that Corado "broke the payment plans that the firm had reached with the DC government" that resulted in the suspension of the subsidies that Casa Ruby received and that would be lifted once the organization presented its certificate of "Clean Hands".

The accountants knew of the irregularities. In 2018, according to the investigation, the firm explained to Corado the importance of making outstanding payments, delinquent payments and that all expenses were reviewed and approved by the Board of Directors.

In addition, he said he had difficulty applying accounting correctly and accurately, because the organization "never provided the proper documentation to justify all expenses." Ayala, one of the firm's owners, was indicted in Maryland in 2017 by the Department of Justice (DOJ) for bribing a Prince George's County member and making false statements in the case of diversion of public funds to a nonprofit organization he had founded. By then he was already serving as an accountant for Casa Ruby and its director.



AFFECTED. The situation of the affected employees and users of Casa Ruby remains unresolved. Photo: Courtesy of Casa Ruby

## **Are there crimes?**

The deadline for the DC Attorney General's Office to submit the update of the civil indictment against the director of Casa Ruby expires on November 28. By that date, Corado must have an attorney to represent her.

Despite the findings, it is not for the Wanda Alston Foundation to determine liability in the case.

The organization recommended at the end of its second report to the DC Court that it "provide formal instructions" to establish whether the use and movement of money made by the director of Casa Ruby without the authorization of the Board of Directors constitute "illicit conversions" of the organization's assets.

Or to determine if the people who were legally listed as members of the organization's Board of Directors acted negligently and with their sharing allowed the irregularities or if they did so consciously.

And also, to define if the irregularities committed by Corado are part of a system of fraud committed against the local government and the institutions that granted public funds for the operation of programs and operations of Casa Ruby.

Likewise, the Court must take measures "to attempt to recover the property of the organization or impose liability for the losses of the organization."

In the first report presented last September, after the accusations and accusations of the employees of Casa Ruby were uncovered, it was detailed that the debts, outstanding invoices, accounts payable and employee balances that the organization has total more than \$ 2 million.

Of that total, Casa Ruby owes the Internal Revenue Service more than \$1 million.

However, the situation of the employees who denounced the irregularities and to whom Casa Ruby owes wages, compensation and labor payments, will remain unanswered. Since, first the debts with the local and federal government and with the IRS must be settled.

At the moment it has not been possible to confirm if Corado continues in Washington DC or if he recently traveled to El Salvador.