

[Washington state officials bust up stingy "badge charities" that claimed to help police, firefighters and veterans](#)

Local News

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SEATTLE - Washington Attorney General Rob McKenna and Secretary of State Sam Reed are slinging their pistols - figuratively speaking -- at lawless "badge charities." The state officials joined the Federal Trade Commission, state enforcement agencies and AARP Washington in announcing a nationwide crackdown on fraudulent charitable solicitors claiming to help police, firefighters and veterans. Dubbed Operation False Charity, the sweep includes [local and national enforcement actions and outreach initiatives](#). "Operation False Charity is about sounding the siren on the phonies, cheapskates and outlaws," McKenna said. "We're policing those who claim to be raising money for cops, firefighters and veterans but aren't being honest." Just because someone says they are raising money for veterans or police does not mean every dollar you give will go toward those deserving causes," said Reed. "Some solicitors will return very little - or nothing at all - to the charity they claim to be representing. That's why it's so important to know who is taking your donations, and how that money will be spent."

ENFORCEMENT ACTIONSThe Washington Attorney General's Office uses its civil enforcement authority to stop deceptive fundraising practices and enforce a state law that requires charities register with the Secretary of State's Office. The office announced today the following cases: Ø COMMUNITY SUPPORT, INC.: The Milwaukee-based fundraiser must substantially change its business practices under an agreement reached with the Washington Attorney General's Office and 30 other attorneys general. "Community Support is anything but supportive," McKenna said. "We allege the fundraiser misrepresented how donations were spent while keeping almost every dime for its own use." Community Support, Inc., solicits funds from consumers in nearly every state on behalf of more than 35 charities. The states accused the company of suggesting more money would go to the charity or be spent locally, that its callers were law enforcement officers or veterans and that individuals had made pledges. The company was also blamed for making harassing calls. According to records at the Washington Secretary of State's Office, Community Support returned 12 percent of its total contributions to charity clients in 2008. Community Support did not admit any wrongdoing but agreed to pay \$200,000 to the states to cover the costs of the investigation and lawsuit; Washington's share is \$8,000. The settlement requires penalties if the company fails to comply with the terms. Washington's version of the settlement and complaint will be filed in King County Superior Court. Ø NATIONWIDE FUNDRAISERS in connection with RESERVE POLICE OFFICERS ASSOCIATION: Separately, the Attorney General's Office reached an agreement in which Nationwide Fundraisers, of Phoenix, Ariz., will pay \$1,000 for soliciting donations without being registered.

The agreement filed March 27 in Thurston County Superior Court stems from the state's investigation into reports of solicitations by the organization and its partner, the Reserve Police Officers Association, of Yonkers, NY. Reserve Police Officers Association signed a similar [agreement](#) with the AGO earlier this year. The Attorney General's Office and Secretary of State's Office began looking at the organizations after a Washington resident complained about

repeated phone calls from solicitors seeking money for the association. Nationwide Fundraisers and the Reserve Police Officers Association still have not registered with the state and therefore can't solicit donations. According to records at the Secretary of State's Office, Nationwide Fundraisers returned just 1 percent of contributions to charity clients in 2006.

Ø The Washington Attorney General's Office and Secretary of State's Office also assisted the Federal Trade Commission with two other charity-related cases announced today: § DAVID SCOTT MARLEAU et al: The FTC alleged that Marleau ran several for-profit fundraising organizations based in Vancouver, Wash., that solicited money on behalf of sham police, fire, and veterans nonprofit charitable organizations. At least two of those charities were in Washington - and have been criticized in media reports for giving little back to their intended purposes.

According to the FTC, Marleau and his organizations, Jedi Investments, LLC; Impact Fundraising, LLC; Millenium Fundraising, LLC, and PC Marl, Inc., misrepresented how donations would be spent, mailed notices to consumers stating they had made a pledge when they had not even been called, misrepresented their affiliation with sheriffs and police and violated the Telemarketing Sales Rule. Solicitations were made from call centers first in Vancouver and then in Portland, Ore. The defendants reportedly solicited donations for Caring For Our Children Foundation, of Everett, Wash. That charity was highlighted in a 2007 Seattle Post-Intelligencer article for reportedly spending less than 20 percent of its money on program expenses.

They also raised money for Childrens Cancer Assistance Network, which was located in Gig Harbor, Wash., before moving to Cathedral City, Calif. Operators Robert Friend Jr., and his wife Shao Mei Wang, have been the subject of multiple critical news reports based on records that show they devote little money to program services.

The Washington Attorney General's Office provided the FTC with substantial investigative materials. The case was filed in the U.S. District Court for the Western District of Washington. § AMERICAN VETERANS RELIEF FOUNDATION, INC. (AVRF), COALITION OF POLICE AND SHERIFFS, INC. (COPS), AND DISABLED FIREFIGHTERS FUND (DFF): The FTC alleged these three sham non-profit organizations tricked consumers into contributing money that the defendants used to support themselves and their fundraisers.

The FTC contends that solicitors calling on behalf of AVRF claimed donations would support the families of soldiers fighting overseas through a program it called Operation Home Front. In fact, AVRF spent virtually no money assisting military families and is not connected to the genuine nonprofit, Operation Homefront, Inc., that receives high ratings from watchdog groups.

The FTC reached a settlement with the California-based organizations and their officials that prohibits them from making false claims and violating the federal Telemarketing Sales Rule. The case was filed in the U.S. District Court of the Central District of California. § According to records at the Washington Secretary of State's Office: o Millennium Fundraising returned 14 percent of contributions to charity, raising money for Cancer Assistance Network and Caring for Our Children Foundation. o Impact Fundraising gave 17 percent of donated dollars to charity in 2008. It raised money for Disabled Firefighters Fund. o Only 8 percent of the money spent last year by American Veterans Relief Foundation went to program services. o Only 5 percent of the money spent in 2007 by Coalition of Police and Sheriffs (COPS) went to program services. o Only 5 percent of the money spent in 2007 by Disabled Firefighters Fund went to program services. § Additional information about the FTC cases is available at www.ftc.gov. **NEW OUTREACH EFFORTS - STATEWIDE CALLING BLITZ** Volunteers at AARP Washington's Fraud Fighter Call Center in Seattle kicked off a calling blitz today to provide information about charitable giving to at least 5,000 Washington consumers. They'll deliver a scam alert from AARP, the attorney general, secretary of state and the FTC, along with tips on how to give wisely. Adults over 65 can be particularly

vulnerable to fundraising scams, according to AARP Fraud Fighter Call Center Director Jean Mathisen, who said seniors receive more telephone and mail solicitations for charitable donations than any other age group. The partners conducted a similar campaign last December during the holiday season, a time when charitable solicitors are particularly active. Also today, the FTC unveiled new resources at www.ftc.gov/charity. **TIPS AND RESOURCES**1. Check out charities before you give. § Secretary of State's Office: Confirm a charity is registered and review its financial records at www.secstate.wa.gov/charities or call toll-free 1-800-332-4483. The office also publishes an annual report showing how much money commercial fundraisers give to their charitable clients and how much they keep. § Better Business Bureau Wise Giving Alliance: www.give.org § American Institute of Philanthropy: www.charitywatch.org § GuideStar: www.guidestar.org § Charity Navigator: www.charitynavigator.org § AARP Fraud Fighter Call Center: 1-800-646-2283. Receive free information about giving wisely. § Attorney General's Office: If you believe you are a victim of charity fraud, please contact the Attorney General's Consumer Resource Center between 10 a.m. and 3 p.m. weekdays at 1-800-551-4636 or file a complaint online at www.atg.wa.gov.2. Give to familiar organizations and those you trust.3. Ask exactly how your money will be used.4. Pay by check and protect your personal information.5. Maintain records of your contributions. If a donation is "tax deductible," you can deduct your contribution on your federal income tax return. Tax exempt simply means the organization doesn't have to pay taxes.