

CONSUMER NEWS SAN DIEGO CITY ATTORNEY'S OFFICE

Japan Relief Charity Scams

April 2011

The catastrophic earthquake and tsunami in Japan in March left thousands missing or dead and compelled millions all over the world to open their hearts and wallets to help.

Yet, in the wake of this tragedy, there is another worry: scam relief charities preying on your pocketbook and generosity. This month's edition of Consumer News will give you guidelines and tips to make sure your donations actually go to those in need.

BEFORE YOU WRITE A CHECK, CHECK THE CHARITY!

DO THE INITIAL RESEARCH:

Check these websites: California Attorney General

- <u>http://oag.ca.gov/charities</u> Allows donors to check a charity's registration status and view public financial reports. Note: The registry cannot tell you if a charity is legitimate or if the donations are used effectively. It only reveals whether the charity is registered and making the required financial disclosures.

Better Business Bureau

- <u>www.bbb.org/charity</u> Allows donors to research charities and relief organizations to verify their BBB accreditation and ensure they meet the 20 Standards for Charity Accountability.

IRS

www.irs.gov/charities/article/0,,id=96136,00.html

Allows donors to check whether the charity can represent that donations are tax deductible.

Ask to see the charity's pamphlets and flyers. Also, do your online research and check out any information the charity has online, including their website. The more information that is out there about the charity, the more informed decision you can make.

If you receive a solicitation email with a link or see an advertisement link on a website, do not click on the link. Instead, search the charity's name on a search engine. Remember, a legitimate nonprofit charity's website will end in ".org", not ".com."

BEFORE YOU GIVE:

After you've checked out the charity, there are still some precautions you should take before you give:

- Ask for the name of the charity if the telemarketer doesn't immediately provide it.
- Ask what percentage of the donation goes directly to the cause.
- Do not provide any credit card or bank information until you have reviewed all information about the charity and have made an informed decision.
- Ask for a receipt showing the amount of the contribution and stating that it is tax deductible.
- Make checks payable to the beneficiary, not the solicitor; and
- > Avoid cash gifts.

Avoid making donations in a hurry to someone who is pressuring you.

TEXT DONATIONS:

With cell phone technology rapidly increasing, text donations have become more popular. You might receive a text asking for donations for Japan relief, or be solicited to text a number to donate.

While many legitimate charity organizations have started to solicit donations via texts, there are growing reports and concerns that the donations may take up to 90 days before the donations are processed and given to the charities.

Also, in some cases the charities have to pay the cell phone carriers additional transaction fees. Although some carriers and charities may contract to waive the costs, the best way to ensure your money gets to Japan in a timely manner is to give directly to a reputable charity.

LAWS:

There are laws that regulate the activities of individuals and businesses who solicit for charitable purposes:

- Soliciting money for charity and willfully and knowingly making an unqualified false statement about the purpose of the organization, the cost and expenses of the solicitation, or how the money will be used is illegal.
- Soliciting donations on behalf of a charity and failing to turn that money over to the charity is illegal.
- All state charitable trustees and fundraising professionals are required to register and file annual

financial disclosure reports with the California Attorney General Charity Registry.

WHERE TO FILE A COMPLAINT:

The California Attorney General's Charitable Trusts Division takes complaints involving failure to comply with registration requirements. You can report complaints about registration violations to the Attorney General's Office at (916) 445-2021.

The City Attorney's Consumer Protection Unit takes complaints from members of the public who observe violations involving theft in the name of a charity, and, if there is sufficient evidence, prosecutes the violators.

If you know of an individual or organization that is fraudulently obtaining donations on behalf of aid for Japan or another other charity, or is engaging in activities prohibited by the provisions in this newsletter, call the City Attorney's Consumer and Environmental Protection Unit hotline at (619) 533-5600.

Also, the FBI and the National Center for Disaster Fraud have an existing tip line to receive information from the public about suspected fraud associated with the earthquake and tsunami that affected Japan. Tips should be reported to the National Center for Disaster Fraud, (866) 720-5721 or e-mails can be sent to disaster@leo.gov.

San Diego City Attorney's Office Consumer and Environmental Protection Unit (619) 533-5600

Newsletter written by Joy Utomi. Sources: Penal Code sections 532d, 146c, 320.5 and 506; Business and Professions Code sections 17510 et. seq.; Federal Trade Commission, Federal Bureau of Investigations and the Better Business Bureau websites.

The information provided in this newsletter is intended to convey general information and is not intended to be relied upon as legal advice.

To report violations of this law and other consumer protection laws, call the City Attorney's Hotline at (619) 533-5600.