



CONSUMER NEWS

SAN DIEGO CITY ATTORNEY'S OFFICE

Charitable Solicitations

December 2010

Throughout the year and during the holidays, we are all asked by various groups to donate money for charitable purposes. This newsletter provides some guidelines for making these donations.

LAWS:

Unfortunately, there are few criminal laws that regulate the activities of individuals and businesses who solicit for charitable purposes. The following are crimes:

- 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.
- Designating a nongovernmental organization by a name including the terms "peace officer," "police," or "law enforcement," when the organization's voting members are less than

80% law enforcement personnel.

- Soliciting donations on behalf of a charity and failing to turn that money over to the charity.

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

TIPS FOR EVALUATING A CHARITY:

Probably the most important factor for individuals giving charitable donations is the percentage of the donation that goes to the charitable purpose (as opposed to overhead costs). In addition, donors want to make sure the solicitor is in fact authorized to collect the money on behalf of the charity.

There are several ways to determine how much of your donation actually goes to the charitable purpose:

- Ask the solicitor how much money goes to the

charitable purpose and how much of the donation he/she is paid. Ask for documentary proof.

- Consult the Better Business Bureau's website that reports on hundreds of charities at www.sandiego.bbb.org/charity
- Check the Cal. Attorney General's Charitable Trust Registry to determine whether the charity and the solicitor have complied with the requirement that they register and file financial disclosure documents: www.ag.ca.gov/charities
- If the solicitation is for a group claiming to have a law enforcement connection, contact the law enforcement agency to determine if the solicitation is authorized.
- If the group indicates your donation is tax-deductible, check with the Internal Revenue Service to determine whether the charity is qualified to offer this deduction,

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

SUSPICIOUS ACTIVITIES:

People who engage in charity solicitation fraud try to give donors little time to think or to check out the legitimacy of the charity. Donors should avoid giving money to a charitable solicitor who does any of the following:

- Rushes you to make a donation. For example, a solicitor calls and wants to pick up a check in person rather than allowing you to mail it in.
- Insists on cash donations or a check payable to an individual instead of the charity.
- Sends phony invoices to people who have not agreed to make a donation.
- Asks for your credit card number when he/she calls you for a donation.
- Promises you favorable treatment by law enforcement if you donate or indicates you will not receive emergency services if you fail to donate.
- Refuses to provide any written information about how donations are spent.

RAFFLES:

Charities often raise money by conducting raffles. A raffle is a game where people pay for a ticket for a chance to win a prize. A person must pay for a ticket to be entered in the raffle. Local groups that run raffles as fundraisers must comply with the following requirements:

- Each ticket must come with a detachable stub and both parts must be marked

with a unique matching identifier.

- Winners of prizes must be determined by a drawing of the stubs.
- The drawing must be done under the supervision of a person 18 years old or older.
- At least 90% of the gross receipts from the sale of the raffle tickets must be used by the organization conducting the raffle to benefit the organization or charitable purposes.

Charities that are registered with the Cal. Attorney General's Office who operate a raffle must inform the Attorney General of the raffle.

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

Newsletter written by Assistant City Attorney Tricia Pummill

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Sources: Penal Code sections 532d, 146c, 320.5 and 506. Business and Professions Code sections 17510 *et. seq.* California Attorney General's Office and Internal Revenue Service 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 consumer protection laws, call the City Attorney's Hotline at **(619) 533-5600**.