

FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Division of Consumer & Business Education

Supporting the Troops: When Charities Solicit Donations on Behalf of Vets and Military Families

Many legitimate charities are soliciting donations to support the nation's military veterans as well as the families of active-duty personnel. And despite tough economic times, people reportedly are responding generously to these requests. But not all "charities" are legitimate: Some are sham operators whose only purpose is to make money for themselves. Others use paid fundraisers whose fees eat up most of a donation, so very little of it is shared with those in need.

The Federal Trade Commission (FTC), the nation's consumer protection agency, says there are several ways to make sure your donations go to a legitimate charity rather than a greedy scam artist trying to use the cachet of veterans and military families to cash in.

- 4 Recognize that the words "veterans" or "military families" in an organization's name don't necessarily mean that veterans or the families of active-duty personnel will benefit from the money you are donating. The U.S. Department of Defense doesn't endorse any charity, but recommends this source of information about military relief societies:
www.militaryhomefront.dod.mil.
- 4 Donate to charities with a track record and a history. Scam artists follow the headlines and charities that spring up literally overnight in connection with military conflicts and related news stories may disappear just as quickly – with your donation funding their next move. In many cases, those "instant charities" don't have the infrastructure to get donated money or products to the right place.
- 4 Trust your gut – and check your records if you have any doubt about whether you've made a pledge or a contribution. Callers may try to trick you by thanking you for a pledge you didn't make. If you don't remember making the donation or don't have a record of your pledge, resist the pressure to give.
- 4 Check out an organization before donating any money. Some phony charities use names, seals, and logos that look or sound like those of respected, legitimate organizations – or they may claim veteran status themselves as a way to gain your trust. You may see a small difference in the name of the charity from the one you mean to deal with; in that case, call the organization you know to be legitimate and check it out.
- 4 Don't be shy about asking who wants your money. Some charities hire professional fundraisers for large-scale mailings, telephone drives, and other solicitations, rather than use their own staff or volunteers. They use a portion of the donations to pay the fundraiser's fees. If you're solicited for a donation, ask if the caller is a paid fundraiser, who they work for, and the percentage of your donation that will go to the charity and to the fundraiser. If you don't get a clear answer – or if you don't like the answer you get – consider donating to a different organization.

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- 4 Call the office that regulates charitable organizations and charitable solicitations to see whether the charity or fundraising organization has to be registered in your state. If so, check to make sure that the company you're talking to is registered. For a list of state offices, visit the National Association of State Charity Officials at www.nasconet.org/agencies. The organization also can verify how much of each donation goes to the charity, and how much goes to fundraising and management expenses. You also can check out charities with the Better Business Bureau's (BBB) Wise Giving Alliance (www.bbb.org/charity) and GuideStar (www.guidestar.org).
 - 4 Do not send or give cash donations. Cash can be lost or stolen. For security and tax record purposes, it's best to pay by check – made payable to the charity, not the solicitor. If you're thinking about giving online, look for indicators that the site is secure, like a lock icon on the browser's status bar or a URL for a website that begins "https:" (the "s" stands for "secure"). Unfortunately, no indicator is foolproof; some fraudulent sites have forged security icons. If you're not confident you're dealing with a legitimate site, consider donating elsewhere.
 - 4 Ask for a receipt that shows the amount of your contribution, and that it is tax deductible.
 - 4 Be cautious of promises of guaranteed sweepstakes winnings in exchange for a contribution. According to U.S. law, you never have to give a donation to be eligible to win a sweepstakes.

If you think an organization may be making misleading solicitations or may not be operating for charitable purposes, contact your state Attorney General (www.naag.org) or your local consumer protection agency (www.consumeraction.gov). You can get the phone numbers for these organizations in your phone book, through directory assistance, or through Web directories.

Or you may file a complaint with the FTC. The FTC works to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or to get free information on consumer issues, visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

For more information about making your donations count, visit www.ftc.gov/charityfraud.

