

CONSUMER ADVISORY

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By Attorney General Tom Miller

Some Guidance on Giving

Avoiding charity fraud

The first thing on *your* mind when giving to a charity is helping others. But when someone tries to take advantage of your generosity, the last thing on *their* mind is helping anyone but themselves. Unfortunately, some donations from generous Iowans never reach the people who need it most.

Some who claim they represent charities are scamming Iowans and they pocket contributions. Other charities use paid professional fundraisers that divert 80% to 90% of the donations through fundraising expenses, so there's little left for the charitable mission. Questionable charities and some professional fundraisers may mislead donors, divert funds from more effective charitable operations, and shortchange the people in need.

Follow these tips to protect yourself from fundraising and charity abuses:

- **Ask questions!** Be wary of claims that the caller is a charity worker or volunteer, that most of your donation goes to the cause, or that your donation will be used locally. Some charities hire professional fundraisers to call or send mail solicitations to Iowans, and the fundraisers collect fees from donations. Ask the caller if he or she is a volunteer or a professional fundraiser. Ask how much of your donation actually goes to the charity. If it's a charity and not a professional fundraiser, ask how much of your donation goes toward administrative expenses. If you don't get straight answers, that's a red flag.
- **Ask phone solicitors to send written information.** Check out the charity *before* you make a decision. Be suspicious if they insist on a pledge before they'll send you information. Check them out at the national Better Business Bureau "wise giving" site – www.give.org or www.charitynavigator.org.
- **Don't be fooled by a sympathetic name.** Some operations use names that promise more than they deliver. Many causes clearly deserve generous public support, including veterans, law enforcement and fire fighters, but some marginal operations claim connections with such groups yet provide them with very little support. Contact your local sheriff or police or fire department or veterans' organization to check out claims that a donation "will be used locally." If a charity's name sounds similar, but not identical, to a charity you're familiar with, contact the charity you know to check it out.
- **Don't give your credit card or checking account numbers over the phone to someone you don't know.** Resist high-pressure pitches to give now. Trust your instinct if something doesn't seem right.
- **Bottom line: Give wisely!** Giving to a known charity you're confident about is often the best option.

For more information or to file a complaint, contact the Attorney General's Consumer Protection Division, Des Moines, Iowa 50319. Call 515-281-5926, or toll-free at 888-777-4590. The website is: www.iowaAttorneyGeneral.gov.