

## Transcript- Giving Without Getting Taken Podcast

This is Carol Kando-Pineda. I'm an attorney at the Federal Trade Commission, the nation's consumer protection agency. One focus of my work is outreach to the military community --- giving you tips and tools to avoid scams, watch your wallet and protect yourself in the marketplace.

Today I'm going to talk a little about avoiding charity fraud, especially when organizations are looking for donations on behalf of vets and military families.

You know, there are many, many legitimate charities soliciting donations to support the nation's military veterans and the families of active-duty personnel. Despite these tough economic times, reports are saying that people are responding generously to these requests. But you should know that not all "charities" are legitimate. Some are shams 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 goes to the people that you want to get it.

There are several ways to make sure your donations go to a legitimate charity rather than a scammer. Here are some things to look for:

Look at the name of the organization . Recognize that the words "veterans" or "military families" in the name don't necessarily mean that the veterans or the families of active-duty personnel will benefit in any way 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: Go to [militaryhomefront.dod.mil](http://militaryhomefront.dod.mil). Or you can visit the sites for the military relief societies: Army Emergency Relief, at [aerhq.org](http://aerhq.org); Navy-Marine Relief Society, at [nmcrs.org](http://nmcrs.org); or Air Force Aid Society, at [afas.org](http://afas.org).

Now, try to donate to charities with a track record and a history. Crooks follow the headlines, too and you'll often see charities that spring up literally overnight in connection with military conflicts and related news stories. Some of them may disappear just as quickly with your donation funding their next move. So, in many cases, those "instant charities," even if they're not a scam, they don't have the infrastructure to get donated money or products to the right place.

And it's always a good idea to check with local recipients. If giving to local organizations is important to you, make sure they will benefit from your generosity. If a charity tells you that your dollars will support a local organization, like a local military group, a fire department, police department, or hospital, call the organization to verify the claim that they're actually getting that kind of money.

Trust your gut. Callers may try to trick you by thanking you for a pledge you didn't make. Check your records if you have any doubt about whether you've made a pledge or a contribution. If you don't remember making the donation or don't have a record of your pledge, don't give in to the pressure to give.

Check out an organization before you donate any money. Some phony charities use names, seals, and logos that look or sound like those of respected, legitimate organizations. They're just trying to trick you. 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.

Ask for the charity's name, address, and phone number, and written information about its programs.

Ask whether the person contacting you is a professional fundraiser and how much of your contribution will go to fundraising costs. You can always check the history of the organization with the office that regulates charities in your state. To get a list of state offices, go to the National Association of State Charity Officials. 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. You've got a right to know who they're working for. They can use a portion of the donations to pay the fundraisers' fees. If you're solicited for a donation, ask the caller if they're a paid fundraiser. Ask who they work for, and the percentage of your donation that actually goes to the charity and how much goes 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.

And get official. Call the office that regulates charitable organizations. Most charities have to be registered in your state. And you want to make sure the company you're talking to is registered. You can get a list of state offices from the National Association of State Charity Officials at [nasconet.org/agencies](http://nasconet.org/agencies). They can also 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. They have a site called the Wise Giving Alliance. That's [bbb.org/charity](http://bbb.org/charity) and GuideStar, that's [guidestar.org](http://guidestar.org).

And just some general tips to remember. You shouldn't send cash or give cash donations to somebody. First, it can be lost or stolen. Second, for security and tax record purposes, it's best to pay by check. That way you have a record of what you've given. Make it payable to the charity, not the person that's soliciting you.

What about giving online? If you're thinking about making a donation online, look for indicators that the site is secure, like a lock icon on the browser's status bar or a URL for a Web site that begins "https." The "s" stands for "secure." I mean, it's not foolproof. No indicator is. There are still some fraudulent sites that have forged those security icons but it's still worth checking for. It may give you just another reason to be suspicious. If you're not confident you're dealing with a legitimate site, just think about donating someplace else.

And don't forget to ask for a receipt. You want the receipt to show the amount of your contribution, and that it's tax deductible.

And know the difference between "tax exempt" and "tax deductible." Tax exempt means the organization doesn't have to pay taxes. Tax deductible means you can deduct your contribution on your federal income tax. So, even if an organization is tax exempt, your contribution may not be tax deductible. Now, if a tax deduction is important to you, ask for a receipt showing the amount of your contribution and stating that it is tax deductible.

Look twice at organizations that use meaningless terms to suggest they are tax exempt charities. For example, there's a lot of jargon that gets thrown around. The fact that an organization has a "tax ID number" doesn't mean it

is a charity. Every nonprofit and for-profit organization must have a tax ID number. So it's really meaningless in terms of if it's a charity or not.

And an invoice that tells you to "keep this receipt for your records" doesn't mean that your donation is tax deductible or that the organization is tax exempt. They may be trying to imply that, but that's not really what it means.

Just a word of warning. Be cautious of promises that in exchange for a contribution, you'll be guaranteed sweepstakes winnings. It does happen. Under U.S. law, you never have to give a donation to be eligible to win a sweepstakes.

To learn more, visit [ftc.gov/charityfraud](http://ftc.gov/charityfraud). You can get more information about making your donations count and a list of resource where you can check out a charity that you're considering giving to.

If you've run into a suspicious organization and you think they may be making misleading solicitations or not operating for charitable purposes, contact your state attorney general. And you can get a list of the state AGs at [naag.org](http://naag.org). Contact your local consumer protection agency. Go to [consumeraction.gov](http://consumeraction.gov). You can get the phone numbers for them in your phone book, through directory assistance, or through various Google search engines. File a complaint with the FTC at [www.ftc.gov/complaint](http://www.ftc.gov/complaint), and as always, you can go to Military OneSource for help. This free 24-hour service is available to all active duty, Guard, and Reserve members (regardless of activation status) and their families. Consultants provide information and make referrals on a wide range of issues. Call 1-800-342-9647 or go to [www.MilitaryOneSource.com](http://www.MilitaryOneSource.com) to learn more.