

ALERT BULLETIN

Phony Charity Scam



Don't Be A Victim!



PHONY CHARITY SCAM

TYPE OF SCAM

A phone call, email, request from someone on the street, etc. asking for you to donate to a charity that either doesn't exist, they don't work for, or keeps most or all of its received donations.

DESCRIPTION OF THE SCAM

There are many ways that one can be tricked into donating money to fraudulent companies or scammers impersonating legitimate charities.

These scammers may take advantage of real disasters by claiming to send aid to victims. They might also take advantage of your sympathy and emotions by claiming to support sick children or something similar. In reality, if they even work for any organization, chances are that none or almost none of the money you give to them will actually go to helping anyone in need.

Oftentimes, fake charities will use names very similar to real, legitimate organizations. An example of this is an exposed fake charity called the Breast Cancer Society. While this is a phony charity, its name is very similar to a well reputed charity called the Breast Cancer Alliance.

In addition, scammers may simply make up charities completely and remain vague and unspecific as to what they do or whom they help. Scammers such as these are likely to pressure you into giving money quickly, guilt you into giving money, or request personal or financial information.

These phony charities use all of the standard methods to try to get you to donate, ranging from setting up tables at the mall, going door-to-door, sending emails, and telemarketing.

WHAT THE SCAMMER WANT\$

MONEY! These scammers have no problem taking advantage of your generosity and conning you out of your money. Even some actual “charity” organizations are only out to make a profit for themselves, spending most of their received donations on “administration”, “fundraising”, and other bogus expenses.

YOUR RESPONSE

According to the IRS, the best thing you can do to avoid a scam like this is to avoid giving personal or financial information and to avoid giving cash.

In addition, it is a good idea to avoid donating over the phone. If you are interested in a charity that called you, look them up online instead of donating over the phone. Even real, legitimate charities sometimes pay telemarketers so some of your donation could end up going to their commissions.

The next thing you can do is to research charities thoroughly. As stated before, charities often use fake names similar to legitimate charities in order to trick you into giving them money.

While researching a charity, you should find out how much it spends on its projects as opposed to fundraising or administration. Guidestar.org is a great website for researching how a non-profit organization spends its money. Phony charities often spend an inordinately large amount of money on “administrative costs” or other bogus expenses in order to make as much money as they can.

Additionally, in most states, legitimate non-profit organizations are registered with the Attorney General or Secretary of State’s office. Checking with them can be a good way to see if a charity

is phony or not. Also, IRS Select Check can tell you if a donation would be tax deductible or not.

VICTIM OF THIS SCAM

If you or someone you know has fallen victim to a phony charity scam, there are a couple of things you can do. If you gave cash, there is unfortunately very little you can do. However, if you gave a scammer any account details or financial information, you should contact your bank immediately to alert them about this.

You might also wish to report the scam to the Federal Trade Commission. This can help them detect any patterns and help with investigations and prosecutions.

FURTHER INFORMATION

These websites can help you research charities before donating to them:

- <http://www.guidestar.org/>
- <http://give.org/>
- <http://www.charitynavigator.org/>
- <https://www.charitywatch.org/home>
- <http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check>

Also, here is the website where you can make a complaint with the Federal Trade Commission about a scam:

<https://www.ftccomplaintassistant.gov/>

Lisle Police Department
630-271-4200 or 911

This bulletin was prepared by the
Volunteers In Police Services Unit of the
Lisle Police Department