

Your legal rights: Beware of charitable scams in the wake of Haiti earthquake

Written by the Office of Minnesota Attorney General Lori Swanson
Monday, 18 January 2010 14:53

As news of the devastation caused by the earthquake in Haiti continues to emerge, Minnesota citizens and companies are wondering what they can do to help the victims of this natural disaster. While a number of international relief agencies are delivering much-needed emergency assistance, medicine, water, and supplies, Minnesotans are also seeking ways to help by making a donation. As with many tragedies before, the desire to help victims of the earthquake makes it ripe for scammers to take advantage of Minnesotans' generosity and compassion. The Minnesota Attorney General's Office provides the following tips to help ensure that your donation goes most directly to help those affected by this or any other disaster:

1. Be an informed donor. Check out the charity or give to a charity you know. Unless exempt, charitable organizations that solicit contributions are required by state law to register with the Attorney General's Office, file financial information annually, and make disclosures in the course of requesting a donation. For instance, you should be told the name of the charity, its location by city and state, its charitable purpose, and whether your contribution is tax-deductible. Certain organizations, including religious organizations, are not required to register to solicit donations. You can also view a charity's financial information online at www.guidestar.org.

Call the Attorney General's Office or visit our website at: www.ag.state.mn.us/charities to determine if the charity is registered. While this Office does not make recommendations on charities, we can send you copies of financial statements filed by the charity. You can also view summaries of financial information on our website. The data shows how much of the charity's expenses in the last accounting period were used for the charitable purpose and how much was spent on overhead and fundraising expenses.

Before making a contribution, feel free to request a financial statement directly from an organization, particularly one that is exempt from registration. Many charities post financial information on their website.

You may also find information about certain charities through private agencies that review charitable organizations. The following private agencies monitor the activities of charities, establish guidelines which they believe charities should meet, and provide ratings of different charities:

Charities Review Council
2610 University Avenue West, Suite 375
St. Paul, MN 55114
651-224-7030 or 1-800-733-4483
www.smartgivers.org
Wise Giving Alliance Council of
Better Business Bureaus
4200 Wilson Boulevard, Suite 800
Arlington, VA 22203
703-276-0100
www.give.org

If it is important to you, make sure that donations to a particular organization are tax-deductible. You should typically ask for a receipt for any donation, but always for donations over \$250. It is

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not enough that an organization is tax-exempt. It must be recognized as a 501(c)(3) organization under the Internal Revenue Code for you to take a deduction. The IRS lists eligible organizations at Publication 78 at www.irs.gov. The IRS also has prepared Publication 3833, titled Disaster Relief: Providing Assistance Through Charitable Organizations, that is available to donors seeking more guidance. A copy of that publication is available online at: www.irs.gov/pub/irs-pdf/p3833.pdf.

2. Give a monetary donation (check, money order or credit card), but not non-cash items unless specifically requested. Donate by giving a monetary contribution, either by mailing a check or money order to the organization's address or by providing your credit card information to a representative of the charity during a telephone call you initiate or via its secure website. Send a money order if you prefer to maintain your privacy and do not wish to be on more mailing lists or receive additional appeals.

Avoid collecting non-cash items unless a charity has specifically requested such items and has the means to ship, store, sort and distribute the goods. Previous relief efforts have been severely hampered--not helped--by mountains of unutilized donations of clothing, food, toys and other items. Many local charities can still use in-kind donations, so you may want to consider them when donating non-cash items.

3. Specify that the donation is for disaster relief for Haiti earthquake victims. If you do not specify what the donation is for, an organization could use it for any of its purposes. If you want the money to be used for a specific purpose, you must inform the charity of that purpose.

4. Be wary of Internet and e-mail scams and telephone solicitations. You may receive an unsolicited e-mail claiming to be from a reputable charity when it could be from a fraudulent group. Therefore, if you receive an e-mail appeal from a charity that seems familiar to you, be sure that it is not a copycat e-mail or one that contains a virus. Go to the charity's website yourself or call its 1-800 number, rather than respond to the e-mail or use the embedded links. If you are unable to locate a telephone number, you can call the Attorney General's Consumer Assistance Line at (651) 296-3353 or (800) 657-3787. In addition, be cautious of websites that are newly formed with "Haiti earthquake" in the domain name. Registering and using such web addresses presents an opportunity for scam artists, and most established charities will use their standard web addresses. If you get a solicitation call, get the organization's name, independently verify its phone number, and then call in your donation directly. That will help you to avoid giving your credit card number to a scam artist.

Be wary of Internet auctions, retailers, or concert promoters that claim that your purchase of merchandise or a ticket will benefit the earthquake victims. There is no way to verify that the seller or concert promoter will actually forward the money to charity. Moreover, if making a charitable donation is an important part of the transaction to you, you should find out how much of the cost of the ticket is actually donated to the charity. The only way to be sure that your money will go to an earthquake relief organization is to donate to it directly.

5. Use caution when donating money over the Internet. If you choose to use the Internet to make a donation, look at the organization's URL in the browser window. Exercise caution if the domain name is hidden, is not familiar to you or is not the same as the one stated in the text of the link. It is prudent to enter the URL rather than using a link to ensure that it is the correct organization.

6. Give to established organizations. Give to organizations formed for the purpose of providing international disaster relief aid. Refrain from giving to a newly established organization or one formed for a completely different nonprofit purpose. This crisis will undoubtedly result in the

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need for funds for this region for years into the future. You can wait until a newly formed organization has proven itself in the region as the money will still be needed.

7. Don't be rushed or emotionally overwhelmed. The huge scale of this crisis means that assistance will be needed for years. If you are giving now, do so based on informed choices. Do not be baited or swayed by emotional appeals. Such appeals are often a tactic used by the unscrupulous. If you choose to wait or want to give additional funds later, organizations will still need the money. But as the needs in the area change, you will want to be sure to investigate them again to ensure that your money is going where it is most needed.

8. Avoid fake charities or those attempting to trade on famous ones. Be wary of groups with names that are similar to more established, well-known organizations, or of appeals and e-mails that appear to be from individual victims.

You may contact the Attorney General's Office by telephone, mail or electronically as follows:

Office of Minnesota Attorney General
Charities and Civil Enforcement Division
1200 Bremer Tower
445 Minnesota Street
St. Paul, MN 55101
(651) 296-3353 or 1-800-657-3787
TTY: (651) 297-7206 or 1-800-366-4812
www.ag.state.mn.us