Tips on Cautioning Charitable Donors During the Holiday Season

By Kelley Hubbard, Assistant Attorney General, Office of the Attorney General of Montana

With the holiday season in full swing and in the wake of several natural disasters and tragedies, which seem all too frequent these days, it is a good time to think about the critical role attorneys general can play in making sure dollars donated to charity end up doing the most good for our communities. The recipe for our offices’ success with charitable giving, no matter the season or the occasion, is one-part donor education, one-part proactive planning, and one-part enforcement action.

The holidays present an annual opportunity to remind donors how to give wisely and many attorneys general engage the press this time of year to educate donors. Consider issuing a press release or speaking at community group meetings to convey these tips to donors:

* Give generously, but give wisely. Nonprofits are a vital resource that help our communities thrive. Before you give, take time to think about the issues you care about, research which organizations are making an impact in those areas, and consider how efficiently the organization is using money to fulfill its charitable mission.

* Hang up the phone. Telemarketers often use high pressure tactics to get donors to contribute on the spot. Don’t be pressured into giving any money over the phone or computer. Instead, go and visit a local organization’s office to meet the people making a difference in your community and hand deliver your check.

* Ask questions. Instead of being drawn in by heart wrenching fundraising appeals, ask about what work the charity actually does. Ask for specific examples of how and where your donation will be used. Ask how much of every dollar donated goes to the charity’s program work, rather than administrative and fundraising expenses.

* Research. Many state attorneys general and secretaries of state have useful information about charities operating in their state. Additionally, look at the charity’s website to better understand their work and the geographic region they serve. Finally, check out a nonprofit’s reputation on websites like [www.guidestar.org](http://www.guidestar.org), [www.charitynavigator.org](http://www.charitynavigator.org), and [www.give.org](http://www.give.org).

When disasters or tragedies strike, the need to help our neighbors is great, but so is the opportunity for scammers to divert donations from the victims who need it most.
Attorneys general can play a lead role in coordinating a well-organized response. Here are some options to consider when proactively planning your office’s response to tragedy:

* Immediately establish a legitimate bank account to which you can direct funds. The outpouring of support and donations is often immediate and overwhelming. Work with other elected officials and nonprofit leaders, such as a state’s nonprofit association, to provide a unified response by establishing and promoting a central repository for charitable donations. This can be an existing charity or something brand new, like One Fund Boston which was established in the wake of the Boston Marathon bombing. Make sure everybody knows that this is a legitimate place to donate.

* Caution donors. In addition to widely publicizing legitimate charities, caution donors to avoid giving in response to email or online solicitations. Scammers often use names that are remarkably close to a well-established charity’s name to lure donations. Donors should go directly to the charity’s website to donate.

* Recognize a scam. Make sure that donors know that real charities won’t ask for donations through a wire transfer service or pre-paid cards; those are the hallmarks of scammers.

* In-kind donations. While gifts of clothing, food, or other goods may be needed to respond to disaster, urge donors to consider whether the organization is equipped with the infrastructure needed to transport and distribute such aid properly and avoid organizations that have little experience in disaster relief.

Despite our best efforts to prevent it, diversion of donations to scammers will occur. Help your charities regulators pursue enforcement actions by encouraging complainants to provide the following information:

* The exact name of the charity. Look-alike organizations with familiar sounding names often unscrupulously solicit money. Make sure donors pay close attention to the name of the organization.

* Details about the pitch. One key to combatting scammers is recognizing deceptive statements made by telemarketers. Often a caller will claim that 100% of the donation goes to its program work, but every organization has administrative overhead and fundraising expenses. The more information and detail a complainant can give, the better chance regulators can put together a case.

* Save that mailer. Many mailed or emailed solicitations contain misrepresentations that form the basis of an enforcement action. Ask the donor to send in any written materials received from the scammer.

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We hope these tips can assist your office in helping our nonprofits thrive and ensuring that our generous citizens get the most value for their donation.