

## Charitable Giving, Trust but Verify First

Giving to charity is part of the culture in this country. Americans contribute more than any other country – twice the rate of the next highest (Great Britain) and over 10 times the rate of France and Germany. In 2006, almost \$300 billion was contributed, with over 80% coming from individual donors. Unfortunately, this has become a big target for the scam artists.

Scam artists want to look as real as possible. They use all the same methods as legitimate charities. You may be approached over the phone, via email, at the mall, on the street, or even door-to-door. The names they use will often be similar to a well-known charity, and they carry official looking ID's complete with logo. They may even claim that you have donated to them in the past.

### **Identify Scams**

Here are some tips to help spot what could be a charity scam.

1. Avoid any “charity” that uses pressure tactics or “guilt trips” to get you to donate on the spot. Especially avoid those that request cash only, or checks made out to an individual person.
2. Take the time to learn about any charity before you donate. Get their name, address, phone number, and if they claim to be registered, get that number, as well. Check with the Better Business Bureau ([www.give.org](http://www.give.org), 703-276-0100) or the State of Wisconsin (Department of Agriculture 608-224-4949, [www.dofcp.state.wi.us/care/consumerprotection/consumerprotection.jsp](http://www.dofcp.state.wi.us/care/consumerprotection/consumerprotection.jsp)). If you are contacted by a third party who claims to represent the charity call the charity directly, confirm there is a campaign going on, and ask for information. If someone claims to represent a local organization such as police or fire departments, definitely call the local offices.
3. If you are thinking of donating, ask what percentage would go directly to the specific cause. Legitimate charities will have this number and provide it to you in writing. If you feel this percentage is too low, contact the cause and see if you can donate directly.
4. Never respond to an email request for a donation to a charity you have never donated to before. Legitimate charities do not send blanket “cold call” emails.
5. Be skeptical if the person or communication “asking” for a donation mentions a previous donation or a pledge you do not remember making. Scam artists will often do this to create a false sense of legitimacy. If you do not remember making a donation or pledge, simply ignore the request.
6. Be wary of a fundraiser if they use intimidation tactics or the promise of special treatment to get you to donate. These are likely to be scam artists.

### **Tips to Protect Yourself**

As with most scams and frauds the charitable scam artist want to push you into a quick decision to send them money. To protect yourself, the best advice is to take your time and plan your giving.

1. Decide in advance, while doing your budget, how much you can afford to give to charities and stick to this amount.
2. Also, decide which charities you are going to give to and be sure you know who they are and what they do with the donations. If possible, give directly to local charities, or local operations of larger organizations. Focusing on local operations you know or can even visit will often yield the biggest return on your donation.
3. Once you have decided what charities you will support, and how much you will give, you can gracefully turn down all others.
4. All charities have some administration costs but they should not get out of line. Two organizations, Guidestar ([www.guidestar.org](http://www.guidestar.org), 757-229-4631) or American Institute of Philanthropy ([www.charitywatch.org](http://www.charitywatch.org), 773-529-2300) evaluate these costs and provide rankings on how well a charity uses the money given to it.
5. Before you make a donation discuss what you are going to do with a trusted family member or a friend.
6. Don't allow the pressure of "suggested donation" or a "minimum requested donation" to change your mind about the amount of your gift. Simply give what you can to charities that you believe are legitimate. They will appreciate whatever size gift you can give.

If you believe an organization is making misleading solicitations, there are a number of people you can contact. Start with your local police force, or Racine County Sheriff's Office. You can also contact the Federal Trade Commission ([www.ftc.gov](http://www.ftc.gov), 1-877-382-4357)