

Donors Take Care

How to Avoid Charitable Giving Scams

Earlier this year, the Federal Trade Commission (the “FTC”) and the attorneys general of 10 states filed a lawsuit in federal court against Cancer Recovery Foundation International (aka Women’s Cancer Fund or the “Fund”), and its president, Gregory Anderson, alleging that they raised \$18 million over a five-year period from donors who wanted to help cancer patients, but that only 1% of the money went to help the patients. Indeed, the lawsuit claims that, despite promises to use donations to save lives and help defray everyday expenses of cancer patients, the Fund used 85% of donations to pay Mr. Anderson and the for-profit fundraisers he hired.

The case against the Fund and Mr. Anderson is still pending, but unfortunately, this kind of headline—and charitable scamming generally—is not new or unique. In 2023, almost 10,000 charitable solicitation scams were reported to the FTC. These scams come in various forms and can be hard to distinguish from legitimate fundraisers. However, there are important steps donors can take to plan a donation and avoid scams, including:

Research!

- Various organizations, including Charity Navigator and the Better Business Bureau, provide ratings and reports on how charities operate and spend donations. Donors can use their free online search tools ([charitynavigator.org](https://www.charitynavigator.org) and [give.org](https://www.give.org)) to evaluate a charity. If an organization has a poor rating, similar to the Fund’s zero-star rating on Charity Navigator, donors should proceed with extreme caution.
- Before donating, donors should obtain the charity’s precise legal name, tax identification number (its “EIN”), and address. Checking the charity’s website or calling the charity is a prudent way to be sure you have identified the correct charity—some scammers have committed fraud by using names that look similar to a legitimate charity’s name. You can use the [IRS’s tax-exempt organization search tool](#) to verify an organization’s tax-exempt status.

Don’t rush!

- Scammers often appear during times of catastrophe, like natural disasters or tragic events, and request urgent support. Donors should question an organization’s legitimacy if donors are pressured to contribute immediately. Legitimate charities take time to answer a donor’s questions and build a relationship, even when needs are pressing.
- Donors should carefully review charity names and details, as scammers often invent information that sounds familiar or authentic but contains typos or can’t be found online.

- Donors should speak directly with a representative of the charity, rather than a third-party, for-profit fundraiser. Although some legitimate charities use fundraisers, for-profit fundraisers are commonly used by fraudsters. When anyone contacts you requesting a donation, you can ask how they are connected to the charity, which can help detect whether they are actually a for-profit fundraiser.

Choose your payment method carefully—and get a receipt!

- Donors should use credit cards or checks, rather than cash, gift cards, or wires, to make a gift. If gifts are automated and recurring, donors should review bank or credit card statements to ensure donation amounts and frequency are accurate.
- Donors should also collect donation receipts to confirm that the organization is legitimate and to protect the donation’s deductibility (see our prior client alert [Save Your Receipts!](#)).

If a donor is a victim of a charitable scam, the donor should [report it to the FTC](#) and their local attorney general.

Of course, a member of your Choate team is happy to help you evaluate charities to avoid fraud and maximize the power of your gift!

Charles A. Cheever

Co-Chair, Wealth Management
617-248-4027 | ccheever@choate.com

Jessica L. Lambert

Co-Chair, Wealth Management
617-248-5223 | jlambert@choate.com

Lanny Thorndike

Co-Chair, Wealth Management
617-248-4062 | lthorndike@choate.com

Kristin T. Abati

Partner
617-248-5266 | kabati@choate.com

Marc J. Bloostein

Partner
617-248-4919 | mbloostein@choate.com

Courtney Carr

Partner
617-248-5225 | ccarr@choate.com

Cameron Casey

Partner
617-248-4078 | ccasey@choate.com

Kimberly E. Cohen

Partner
617-248-4833 | kcohen@choate.com

Jennifer Ewing

Partner
617-248-4846 | jewing@choate.com

Renat V. Lumpau

Partner
617-248-4040 | rlumpau@choate.com

Geoffrey M. Mason

Partner
617-248-4784 | gmason@choate.com

Brian W. Monnich

Partner
617-248-5218 | bmonnich@choate.com

Rachel Y. Meagher

Principal
617-248-2143 | jewing@choate.com

Tamer Alamuddin

Managing Director, ChoateIA
617-248-4822 | talamuddin@choateia.com

Henry Dormitzer

Managing Director, ChoateIA
617-248-2123 | hdormitzer@choateia.com

Diana B. Malcolm

Managing Director, ChoateIA
617-248-4778 | dmalcolm@choateia.com

Sarah Tomeo Hertzog

Of Counsel
617-248-2131 | shertzog@choate.com

Shira H. Sokal

Of Counsel
617-248-2129 | ssokal@choate.com

Andree M. Saulnier

Of Counsel
617-248-5055 | talamuddin@choate.com

Katherine Toth

Trust Advisor
617-248-4877 | ktoth@choate.com