



May 20, 2009

**MADIGAN TAKES ACTION AGAINST FRAUDULENT CHARITIES,
PARTICIPATES IN NATIONAL CRACKDOWN*****Warns Illinoisans to be Cautious When Making Charitable Contributions***

Chicago—Attorney General Lisa Madigan today announced enforcement actions against four fraudulent Illinois charities that have misrepresented their affiliation with local law enforcement and veterans groups to collect donations. The Attorney General's announcement is part of "Operation False Charity," a nationwide campaign with the Federal Trade Commission and Attorneys General, Secretaries of State, and other law enforcement agencies in 47 states and the District of Columbia, to crackdown on those charities intent on deceiving donors. The crackdown has resulted in more than 70 law enforcement actions against rogue fundraising companies, nonprofits and individuals.

These organizations capitalize on the good names of legitimate law enforcement and veterans support organizations," Madigan said. "We are taking legal action today to put a stop to these fraudulent practices, but we are also putting consumers on alert to be on the lookout for these kinds of fundraising scams."

In Illinois, Madigan filed lawsuits today against the following defendants:

- **Public Awareness, Inc. (PAI)**, a Texas-based professional fundraiser, for allegedly conducting an unregistered fundraising campaign in Illinois using the name "Illinois Police Patrolman's Association." Madigan's complaint alleges that PAI callers failed to disclose that they were paid professionals and made misleading statements to convince prospective donors that they were law enforcement personnel.
- **Homes For Heroes, Inc. (HFH) and its owner Patrick Gleason**, a Minooka, Ill., resident, for allegedly conducting a fraudulent charitable solicitation campaign and engaging in deceptive trade practices by falsely representing that HFH is "a 501(c)(3) not-for-profit organization" founded to help "the brave men and women in uniform fighting the Global War on Terror." In fact, HFH is a for-profit company. In addition, the Attorney General's lawsuit alleges that Gleason and HFH are unlawfully conducting a home raffle and selling raffle tickets by misrepresenting to donors that the proceeds will benefit veterans when Gleason allegedly plans to use the proceeds to pay his debts.

Madigan also announced that her office recently obtained a judgment in Cook County Circuit Court against the American Association of Police Officers (AAPO), its founding officers, David Dierks and Phillip LeConte, its Illinois fundraiser, Vet-Pol Advertising, Inc.(Vet-Pol), and Vet-Pol's President Peter Ruderschmidt. In 2004, Attorney General Madigan filed a lawsuit against the defendants for falsely informing potential donors that the fundraisers were law enforcement officers. As a result of the 2004 lawsuit, the defendants later reached a settlement agreement that required AAPO to supervise Vet-Pol's fundraising activities. The defendants violated that 2004 settlement, however, and Madigan filed a new suit in 2006, alleging that Vet-Pol engaged in unregistered fundraising on AAPO's behalf and the fundraisers falsely claimed to be police officers. False representation in fundraising is a violation of the Illinois Solicitation for Charity Act. The judgment prohibits AAPO from soliciting contributions in Illinois for three years, imposes a \$10,000 penalty and requires Vet-Pol to cease operating as a professional fundraiser.

Finally, Madigan announced that she has reached a settlement with Community Support, Inc. (CSI), a Wisconsin-based professional fundraiser that represents nearly 30-40 charitable organizations across the country. The CSI settlement is the result of the work of a 31-state task force, including Illinois. The task force established that CSI employed solicitors who falsely told potential donors that they were either current or retired members of local police and fire departments or the U.S. military. Further, CSI telemarketers allegedly mislead donors to believe that a substantial portion of their donation would benefit local charitable causes when, in fact, the organization contributed to very few if any charitable causes in the donors' local areas. As part of the settlement,

CSI will take affirmative steps to ensure that its solicitors clearly identify themselves as professional fundraisers and not as local law enforcement officers. CSI also will not claim that donations benefit local causes unless substantial portions of the charity's programs are actually distributed in that consumer's state or local community.

State officials participating in today's national sweep include the Attorneys General of Alabama, Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Texas, Vermont, Washington, West Virginia and Wisconsin.

As part of today's crackdown, Attorney General Madigan and the FTC urged consumers to remember the following tips when considering making a charitable donation to veterans and law enforcement-oriented charities:

- Recognize that the words "veterans" or "military families" in an organization's name do not necessarily mean that veterans or the families of active-duty personnel will benefit directly from your donation.
- Donate to charities with a track record and a history. Charities that spring up overnight may disappear just as quickly.
- If you have any doubt about whether you've made a pledge to donate or a contribution, check your records. If you do not remember making the pledge, resist the pressure to give.
- Check out an organization before donating. Some phony charities use names, seals and logos that look or sound like those of respected, legitimate organizations.
- Do not send or give cash donations. For security and tax record purposes, it's best to pay by a check made payable to the charity.
- Ask for a receipt showing the amount of your contribution.
- Be wary of promises of guaranteed sweepstakes winnings in exchange for a contribution. You never have to give a donation to be eligible to win a sweepstakes.
- Contact the Attorney General's Charitable Trust Bureau to see whether the charity or fundraising organization has to be registered in Illinois. Call 312-814-2595 or visit: <http://www.illinoisattorneygeneral.gov/charities/index.html>.
- Rely on other advisory or philanthropy-focused organizations to take advantage of their advice and resources, including:

Better Business Bureau

www.bbb.org/charity

American Institute of Philanthropy and Charity Navigator

www.charitywatch.org

Charity Navigator

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