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ATTORNEY GENERAL MADIGAN LEADS MULTISTATE EFFORT TO DISSOLVE FRAUDULENT NATIONAL CHARITY

Charity Claimed to Raise Money to Help Veterans, But Operated No Programs

Chicago — Attorney General Lisa Madigan today announced a settlement led by Illinois, California, Michigan and Ohio and joined by 20 other states to dissolve VietNow National Headquarters Inc. (VietNow), an alleged non-profit corporation headquartered in Rockford, Ill. that falsely claimed to help veterans overcome joblessness and post-traumatic stress disorder.

VietNow and its 14-member board agreed to settle allegations that VietNow violated laws in Illinois and other states by, among other things, misleading donors as to who was soliciting donations and how those donations were actually used. They also settled allegations that VietNow spent the overwhelming majority of donations on paid professional fundraisers and other administrative costs rather than on programs to help Vietnam and other veterans.

Madigan filed a lawsuit and agreed order today in Cook County Circuit Court against VietNow. The order removes all 14 board members of the organization and bans its four controlling officers, Joseph Lewis, Steven Rucki, Richard Sanders and Terry Buscher, from any future fundraising, charity management or oversight of any charitable assets in Illinois.

"For years VietNow has scammed donations from people who thought their money would be used to support necessary services for our military veterans," Madigan said. "Instead, VietNow pocketed donations and did virtually nothing for veterans. Today's settlement finally will put an end to VietNow's egregious fraud."

A receiver will be appointed by the court to shut down VietNow's operations. Any remaining assets from VietNow will be distributed equally to two national veterans' charities, including Fisher House Foundation Inc., a non-profit based in Rockville, Maryland that provides military families housing when loved ones are hospitalized for an illness, disease or injury. Funds will also be directed to Operation Homefront Inc., a San Antonio-based charity that provides relief and family support programs to help military families overcome short-term obstacles so they don't become long-term chronic problems. Both organizations provide services to Illinois residents.

Each of the other 23 states investigating VietNow will enter into a state-specific settlement agreement with VietNow and its controlling directors containing terms similar to those in the Illinois order.

In June 2017, Madigan settled a three-count complaint she filed in January 2016 against professional fundraiser Safety Publications that was soliciting donations for VietNow. The complaint alleged that Safety Publications: 1) misled the donating public as to who was making the solicitation and how the donations would be used; 2) acted on behalf of a charity without maintaining the required registration and failing to disclose or account for fundraising activities; and 3) violated the consent decrees Safety Publications and its owners had previously entered into with Madigan's office.

Madigan's allegations stemmed from Safety Publication's work with VietNow to raise money. Records showed only a fraction of the contributions Safety Publications collected actually went to pay for charitable programs. When making solicitation calls to the public, Safety Publications failed to disclose that it was a paid fundraiser. Safety Publications also failed to disclose or account for its paid fundraising activities on behalf of VietNow in annual financial reports filed with Madigan's office. Records also showed that Safety Publications was not registered with Madigan's office for a portion of the time that it was soliciting donations.

Bureau Chief Therese Harris, Assistant Bureau Chief Barry Goldberg and Assistant Attorney General Pooja Shah are handling the lawsuit and settlement for Madigan's Charitable Trust Bureau.

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