



“BADGE FRAUD” ROBS CONSUMERS, PEACE OFFICERS

by Texas Attorney General Greg Abbott

PRO-LAW ENFORCEMENT CHARITIES and other non-profit organizations provide critical financial assistance to the brave men and women who protect our homes and neighborhoods. While many of these organizations provide assistance to family members of officers who make the ultimate sacrifice, some unscrupulous individuals may prey on your generosity for their own gain.

Consumers and small businesses are defrauded when scammers falsely claim to be collecting donations on behalf of law enforcement or public safety organizations. In the worst cases, the money winds up in the con artists’ pockets rather than going to deserving charities. This type of scam is called “badge fraud.”

Badge fraud often begins with a telephone or mail solicitation carefully crafted to appeal to your good intentions. Solicitors claim they are collecting much-needed funds for fallen police officers, fire fighters or other public safety personnel. In some cases, the charity is non-existent. In others, the charity is real, but only a small portion of your donation actually helps officers or their families.

The Office of the Attorney General will not tolerate badge fraud. In 2004, we joined forces with Harris County Attorney Mike Stafford to halt the

fraudulent telemarketing practices and financial improprieties of the Texas Police Officers Alliance (TPOA).

TPOA’s telemarketers promised donors that their financial gifts would provide death benefits for families of slain Texas police officers, including scholarships for their surviving children. Our investigation revealed that of the nearly \$300,000 collected by the charity, only \$500 was dispersed to officers’ families. Those meager benefits were distributed only after the Office of the Attorney General sent TPOA a civil investigative demand requesting information.

As for the claim that contributions were being used to create scholarships, the defendants failed to perform even the minimum requirements for establishing a scholarship, including notifying law enforcement agencies that funds would be available. In light of these abuses, we felt it was our duty to take legal action to protect Texas consumers.

Another common scam involves con artists who target the business community by offering to sell “advertising” in non-existent law enforcement magazines. Some small businesses have complained to our office about receiving invoices for ads that they never ordered or authorized.

When business owners asked to see the ads, the sellers steadfastly refused to produce them.

Badge fraud steals money from generous Texans and hard-working peace officers. Worse, it erodes public trust in legitimate charitable organizations. Everyone loses with badge fraud. An official-sounding organization name is a common ploy. Fraudulent charities often have names that are very similar to the names of well-known, trusted and legitimate organizations.

Charities are not generally required to register in Texas, but those that claim to benefit peace officers are subject to special provisions of the Texas Law Enforcement Telephone Solicitation Act. These charities must register with the Office of the Attorney General. In addition, the Public Safety Solicitation Act requires certain organizations to register, pay a fee and post a bond with the Secretary of State.

Registration with the SOS or with the Office of the Attorney General does not guarantee that the charity is trustworthy, however. Do not be afraid to ask for a written statement about the way your contribution will be used. A legitimate charity will welcome your interest. Let’s give, but let’s give wisely.

POINTS TO REMEMBER



GIVING TO CHARITIES

- Don’t fall for high-pressure tactics!
- Who is getting the donation?
- Is the organization bonded and registered?
- Ask for written information.

Read the Attorney General’s brochure, “Giving to Charities,” or file a complaint in the Charities and Non-Profits Section of our Web site at www.oag.state.tx.us.

Contact the Secretary of State’s Office to see if a public safety organization is registered: (800) 648-9642
www.sos.state.tx.us

Information on charities operating nationally:

BETTER BUSINESS BUREAU
Wise Giving Alliance
www.give.org

AMERICAN INSTITUTE OF PHILANTHROPY
www.charitywatch.org

Information on this and other topics is available on the Attorney General’s Web site at www.oag.state.tx.us



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