

**Scrooge Stole Your Donation**  
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For many of us, the holiday season represents a time for family, loved ones, reflection, and giving to charity. Unfortunately, this time of year also represents a time for scammers who are looking to prey on our giving spirit. If you're considering a charitable donation this holiday season, do your research first to make sure your money is doing good, not lining the pockets of a greedy criminal.

Think you can't or won't be targeted? Criminals don't care where you live, what you do for a living, or how hard you work, they want what you can give to them: your money. Seniors are targeted more frequently for charity scams, but anyone is a potential target. And while most of these scams occur by phone, industry experts have even seen pleas for donations via emails and on social media. Regardless of how someone contacts you asking for money, be sure to do your homework *before* you donate.

**Before You Donate**

Ask a lot of questions. True organizations will be happy to answer them; criminals will get pushy, demanding, or even threatening when you ask a lot of questions. Make sure the answers they give you make sense.

Ask the solicitor:

- **For identification.** Most states require professional, paid fund-raisers to identify themselves as such. It's important to understand if you are working with a professional company raising funds or the actual charity itself.
- **What percentage of the donation goes to the charity?** Professional fund-raisers take a portion of the money collected, often as high as 93% of what you donate for themselves, giving a mere 7% to the charity you are donating to. So, if my math is correct, that means the generous \$50 donation you are willing to make puts a mere \$3.50 to the actual charity and \$46.50 to the fund raising company.
- **How will my contribution be used?** Ask where the money will go and exactly what will it support? Legitimate groups should be able to tell you exactly where your money will go and what it will support.
- **Is my donation tax deductible?** Not all charitable donations are tax deductible, so if this is important in your charitable donation decision, be sure to ask in advance.
- **For everything in writing.** The organization should be able to provide you with written information describing the programs your donation will support before you donate. Criminals will not want you to go this route; while many organizations will ask for you to "secure your pledge" with a card or account number on the phone, legitimate organizations will send you the information in writing before collecting the donation if you ask. Criminals will pressure you to make a payment immediately and have excuses why they can't / won't send you something in writing first.
- **If in doubt, call the organization or research the fundraising group.** If the caller claims they are raising money for your local fire department, call the fire department to confirm the group is actually soliciting on their behalf. If the fire department says they are not soliciting donations, or that they use a different group, report the solicitation to your local law enforcement officials.

A few additional tips:

- Write down the caller's name, phone number (from caller ID and ask them for a return phone number), and agency they are calling for. If they keep saying "I am calling on *behalf of*" ask them for the name of the fund raising company.
- Avoid any group that wants a "cash gift" or pre-paid gift card mailed to an address they provide over the phone. When you donate in cash or pre-paid gift card, there is no record of the donation or transaction, so any group can claim they did not receive it.
- Hang up if a fund-raiser suggests you'll receive special treatment for donating. For example, no legitimate fund-raiser would guarantee that you won't get a speeding ticket if you have a police organization's decal in your car window. Also, report these types of calls to the [Federal Trade Commission](#).
- Don't be intimidated if you decide not to give. A caller who uses intimidation tactics is at minimum unethical, and possibly a criminal looking to steal your money. If you feel you were pressured by a fundraising group or feel they may be a fake fundraising group, report it to the [Federal Trade Commission](#). The best way to handle high-pressure, intimidating techniques is to just hang up.

### **Check out the charity.**

These groups can help you verify if a charity is legitimate, if complaints have been lodged against a professional fundraising service you are dealing with, and provide more valuable guidance on making the most of your charitable donations.

[America's Worst Charities](#)

[Better Business Bureau - Wise Giving Alliance](#)

[Charity Navigator](#)

[Charity Watch](#)

[IRS Tax Exempt Charitable Organizations](#)

### **About the Author**

Rayleen is the CEO of RP Payments Risk Consulting Services, based in Orrick, MO. She travels the country presenting at fraud, payments and security conferences on topics ranging from Mobile, fraud, risk management, and regulatory compliance. Rayleen has been writing and presenting for 9 years. Previously she worked financial investigations for a national bank.