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PRESS RELEASE

Attorney General Frosh Announces Dissolution of Deceptive Veterans Charity

Joins 24 States in National Against VietNow

Baltimore, MD (November 7, 2017) – Maryland Attorney General Brian E. Frosh, along with Secretary of State John C. Wobensmith, announced today that Maryland and 24 states have reached a settlement with VietNow National Headquarters, Inc., an Illinois nonprofit corporation, resulting in the organization's dissolution.

"Scam veteran charities prey upon the generosity and goodwill of consumers who choose to support our veterans and military families," said Attorney General Frosh. "Nationwide, we've stopped yet another sham charity from defrauding the public."

Since March 2015, VietNow—which also uses the name VeteransNow—had been raising money using deceptive telemarketing solicitation scripts. The scripts, which were used by professional fundraiser Corporations of Character, told potential donors that VietNow gave a minimum of 12 percent after expenses back to veterans in the donors' state. Other scripts stated that donations helped local veterans in the donors' state. But in response to the investigation by the attorneys general, VietNow admitted that it had not funded any programs assisting veterans. In addition, other VietNow scripts claimed that VietNow provided "medical facilities and treatment" to veterans, but again, VietNow's response identified no such programs.

In its most recent financial statement, VietNow reported raising nearly \$2 million nationwide. Of that amount, approximately \$40,000 was raised by individuals solicited in Maryland, according to VietNow's fundraising report. But most of this cash was paid to fundraisers, with less than 5% of funds raised going to its charitable programs.

The settlement resolves the allegations and investigations made by the states, and appoints a receiver to dissolve VietNow. The settlement also obtains injunctive relief against VietNow's directors and officers and requires their cooperation in investigations of VietNow's professional fundraisers. Upon dissolution, VietNow's remaining funds will be paid to two national and well-respected veterans' charities, Fisher House Foundation and Operation Homefront.

"Scam artists who falsely claim to help veterans actually harm reputable veterans' charities who, in fact, provide essential programs and services that support our troops and their families," said Secretary of State Wobensmith. "We urge potential donors to be wary. These scammers are on the lookout for ways to take advantage of donors, often preying on those who want to help veterans. If you choose to give, please donate to well-established charities. We urge donors to check our <u>website</u> to determine if a charity is eligible to solicit in Maryland. Remember, give wisely and be wary of sketchy charities."

Maryland Attorney General Brian Frosh joins the Secretary of State of South Carolina, and the attorneys general of Michigan, California, Ohio, Illinois, Wisconsin, Nevada, Oregon, New Hampshire, Oklahoma, Hawaii, Iowa, Maine, North Dakota, Connecticut, Kansas, Missouri, Kentucky, New Mexico, Tennessee, Virginia, Minnesota, and New York in making today's announcement.

The Secretary of State of Maryland registers and regulates charitable organizations and their professional solicitors who operate in Maryland. Together with the assistance of the Maryland Attorney General, the Secretary of State enforces Maryland's charitable giving laws to ensure that donations are used for their intended purpose. Maryland donors may visit http://sos.maryland.gov/Charity/Pages/Giving-Wisely.aspx on the Secretary of State's website for tips on how to give wisely to charities.

Any questions about the settlement can be directed to Josaphine B. Yuzuik, Assistant Attorney General at (410) 260-3855.

Individuals who think that they may have been a victim of a deceptive or illegal charitable solicitation, may call the Charities and Legal Services Division, Secretary of State's Office at 410-974-5521 or 1-800-825-4510.