



PRESS RELEASE

Attorney General Frosh, Secretary of State Wobensmith Announce \$2.5 Million Settlement Following Landmark Lawsuit Against Sham Cancer Charities

BALTIMORE, MD (June 20, 2019) - Maryland Attorney General Brian E. Frosh and Secretary of State John C. Wobensmith today announced a \$2.5 million recovery resulting from multistate litigation against the former operator of several false cancer charities. The settlement is the result of a landmark lawsuit against against four affiliated sham charities – the Cancer Fund of America, Inc., The Breast Cancer Society, Inc., Cancer Support Services, Inc., and the Children’s Cancer Fund of America – and their founder James Reynolds and other individuals. Funds recovered through the settlement will be distributed to cancer centers across the country as a result of a multistate enforcement action against sham cancer charities. Reynolds and the other individuals responsible for fronting the false charities are all banned from any charity or fundraising activities for the rest of their lives.

This distribution marks the conclusion of the [lawsuit](#), brought in May 2015, and the first time that all 50 states, the District of Columbia and the Federal Trade Commission joined together to shut down sham charities.

“This settlement means that a small, but meaningful, amount of the monies recovered will be used to help cancer patients ,” said Attorney General Frosh. “Mr. Reynolds and his colleagues will never touch a charitable donation again.”

“We are pleased that the money recovered in this landmark case will be used to serve cancer patients,” said Secretary of State John C. Wobensmith. “We will continue our fight against deceit and fraud in the name of legitimate charitable programming.”

The [complaint](#) alleged that the so-called charities, led by James Reynolds and his family members, bilked the public out of more than \$187 million dollars between 2008 and 2012. Of the money collected, only 3% was directed to cancer patients in the United States in the form of “care packages” containing religious DVDs, Moon Pies, random items of clothing, and various sundries. Cancer Fund of America also claimed to supply patients with pain medications and transportation to chemotherapy treatments, when it provided no such services. The charities also participated in a “gift-in-kind” program in which they sent drugs that had nothing to do with cancer to other countries. The Complaint alleged that the purpose of this program was to make the organizations appear larger than they were and to hide their high fundraising costs. The Complaint also alleged that the leaders of these sham charities used donated funds to pay

themselves exorbitant salaries and for trips to Thailand, Las Vegas and Disneyworld. The Reynolds' also bought themselves cars, boats, jet skis and houses, and used the charities' credit cards to buy designer handbags, jewelry and clothing, and to pay for day-to-day expenses such as gas, groceries and utility bills.

The money will be transferred to Rockefeller Philanthropy Advisors (RPA) who, under a services agreement with the plaintiffs, will distribute the funds to select health and medical programs targeting breast and pediatric cancer. Eligibility will be determined through an invitation-only application process, and is limited to NCI-designated Cancer Care Centers, a designation bestowed by the National Cancer Institute on institutions and programs recognized for their scientific leadership, resources, and the depth and breadth of their research. RPA CEO Melissa Berman noted, "We are pleased to be part of this landmark process of ensuring that the philanthropic intent of donors is coming to fruition, despite the conduct of bad actors." RPA will ensure that the funding will serve patients in all 50 states, and will monitor, ensure compliance and provide detailed reporting for all grants awarded.