

“Badge Fraud” Robs Consumers, Peace Officers



Charities and other non-profits sponsored by law enforcement organizations provide financial assistance to the brave uniformed men and women who protect our

homes and neighborhoods. It is unfortunate that some unscrupulous individuals may prey on your generosity for their own gain.

Consumers are defrauded when scam artists falsely claim to be collecting donations on behalf of law enforcement or public safety organizations. In the worst of these cases, the money is used for personal gain and not for the causes you meant to support. This type of scam is called “badge fraud.”

Badge fraud often begins with a phone or mail solicitation carefully crafted to appeal to your emotions. The individuals soliciting funds say they are collecting on behalf of 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 goes to help public safety causes.

My office will not tolerate such abuse of the public’s good will. Working in conjunction with the Harris County

Attorney’s Office, we recently filed a lawsuit to halt the fraudulent telemarketing practices and financial improprieties of the Texas Police Officers Alliance (TPOA).

Note the official-sounding name of the organization. It is a common ploy for fraudulent charities to have names that are very similar to the names of well known and trusted legitimate organizations.

The officers of TPOA promised potential donors that financial proceeds would benefit Texas police officers. Donations were supposed to provide death benefits for families of slain officers and scholarships for dependents.

During the course of our investigation, we determined that of the nearly \$300,000 collected by the charity, only \$500 had been used to benefit the families of three deputies. Those 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. They also did not notify 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.

Badge fraud not only steals money from consumers and peace officers. It also erodes public trust in legitimate charitable organizations. Everyone loses when badge fraud is committed.

Charities are not generally required to register in Texas, but charities 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 my agency does not guarantee that the charity is on the up-and-up, however. You must still be vigilant.

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



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT



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