

Charities & Legal Services Division  
Town Hall: Donor Education

*Don't Get Stung by a Scam...Tips for Donating Wisely*

Date: November 15, 2021

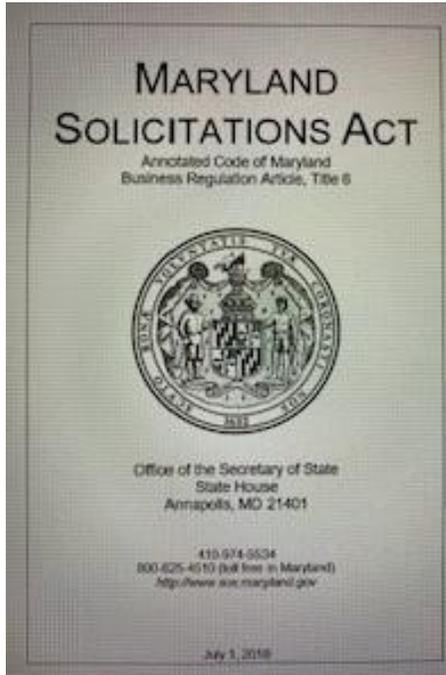
Time: 10:00AM

Presented by:

Kathy Smith, Assistant Secretary of State

Michael Schlein, Division Administrator

## MARYLAND LAW REGULATING CHARITABLE ORGANIZATIONS...

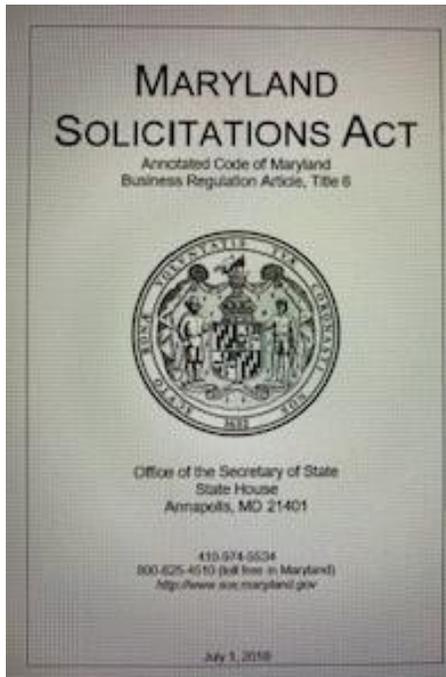


Maryland Solicitations Act, Business Regulation Article,  
Title 6 MARYLAND ANNOTATED CODE  
CODE OF MARYLAND REGULATIONS TITLE 01, SUBTITLE 02, CHAPTERS 04, 05

- WHERE TO FIND IT...

<https://sos.maryland.gov/Documents/MarylandSolicitationAct.pdf>

## MARYLAND LAW REGULATING CHARITABLE ORGANIZATIONS...



**Did you know charities MUST be registered with Maryland's Office of the Secretary of State in order to raise money in MD? Well, they do!**

Check our website to confirm if a charity is authorized to raise money in Maryland: <http://sos.maryland.gov/Charity/Pages/SearchCharity.aspx>.

## QUESTIONS TO ASK WHEN RECEIVING AN ORAL SOLICITATION...

Unless you are already familiar with and support an organization, do not promise you will contribute to its cause when you are called on the phone. Instead, ask:

- Is the charity registered with the Secretary of State?
- What is the full name, address and phone number of the charity?
- Do you work for the charity or are you a paid fund-raiser?
- For what purpose will my contribution be used?
- Is my contribution tax deductible?
- What percentage of its total income does the charity spend on its charitable purpose?

<https://www.marylandattorneygeneral.gov/CPD%20Documents/Tips-Publications/147.pdf>

<https://sos.maryland.gov/Charity/Pages/Giving-Wisely.aspx>

*Even if you decide to make a pledge to donate during an oral solicitation, a pledge is not an enforceable gift. You can change your mind and decide not to donate.*

## QUESTIONS TO ASK WHEN EXAMINING A WRITTEN SOLICITATION...

- Is the full name, address and phone number disclosed in the material?
  - For what purpose will my contribution be used?
  - Does the organization offer to send me a copy of its financial statement?
  - Does the solicitation disclose that documents and information are available from the Secretary of State's office for the cost of copies and postage?
  - Is the appeal for contributions written in a way that appeals only to my emotions rather than to my intellect as well?
  - Does the appeal sound plausible?
- 
- <https://sos.maryland.gov/Charity/Pages/Giving-Wisely.aspx>

## SCAMMERS' TRICKS...

### Keep scammers' tricks in mind

- Don't let anyone rush you into making a donation. That's something scammers do.
- Some scammers try to trick you into paying them by thanking you for a donation that you never made.
- Scammers can change caller ID to make a call look like it's from a local area code.
- Some scammers use names that sound a lot like the names of real charities. This is one reason it pays to do some research before giving.
- Scammers make lots of vague and sentimental claims but give no specifics about how your donation will be used.
- Bogus organizations may claim that your donation is tax-deductible when it is not.
- Guaranteeing sweepstakes winnings in exchange for a donation is not only a scam, it's illegal.
- If you see any red flags, or if you're not sure about how a charity will use your donation, consider giving to a different charity. There are many worthy organizations who will use your donation wisely.
- Report scams to [FTC.gov/complaint](https://www.ftc.gov/complaint). Find your state charity regulator at [nasconet.org](https://www.nasconet.org) and report to them, too. Share any information you have – like the name of the organization or fundraiser, phone number, and what the fundraiser said.

<https://www.consumer.ftc.gov/features/how-donate-wisely-and-avoid-charity-scams>

## COMMON MISTAKES

- Bleeding Heart...falling for a sob story.
  - Not probing for information when an unknown charity asks for a donation.
  - Too trusting when a charity doesn't readily answer your questions.
- Falling for a "Smooth Talker".
  - Charity "promises" to send info AFTER you give a donation on the spot.
  - Being taken up in the moment and not verifying the charity is authentic.
- Feeling intimidated because the person at the door is wearing a uniform or the charity on the phone indicates they're with law enforcement.

<https://www.consumer.ftc.gov/articles/what-know-donating-help-first-responders-active-duty-military-veterans-and-their-families>

## RECOGNIZE RED FLAGS!

- Ask questions.
- Be suspicious of any charity that won't answer your questions.
- These **red flags** that should help you question whether a charity is worthy of your support:
  - Did the organization refuse to send you written material or financial information?
  - Did the solicitor offer to send a person to collect your contribution?
  - Did the charity send you an invoice or statement that indicates a payment is due for a contribution you never pledged?
  - Does the organization's name and logo closely resemble another charity with a similar purpose?

<https://www.marylandattorneygeneral.gov/CPD%20Documents/Tips-Publications/147.pdf>

<https://sos.maryland.gov/Charity/Pages/Giving-Wisely.aspx>

## TIPS ON GIVING WISELY...

### Be Careful How You Pay

- If someone wants donations in cash, by gift card, or by wiring money, don't do it. That's how scammers ask you to pay.
- To be safer, pay by credit card or check.
- It's good practice to keep a record of all donations. Review your statements closely to make sure you're only charged the amount you agreed to donate – and that you're not signed up to make a recurring donation.
- Before clicking on a link to donate online, make sure you know who is receiving your donation. Read the FTC's [\*Donating Through an Online Giving Portal\*](#) for more information.

<https://www.consumer.ftc.gov/articles/donating-through-crowdfunding-social-media-and-fundraising-platforms#other>

<https://www.consumer.ftc.gov/features/how-donate-wisely-and-avoid-charity-scams>

## MORE TIPS ON GIVING WISELY...

- For more tips on how to give wisely, Marylanders can visit the Maryland Attorney General's Office, Consumer Protection Division publication [Consumer's Edge Charitable Giving Tips](#).
- <https://www.marylandattorneygeneral.gov/CPD%20Documents/Tips-Publications/147.pdf>
- <https://www.consumer.ftc.gov/features/how-donate-wisely-and-avoid-charity-scams>
- The Office of the Secretary of State maintains a public registry of charitable organizations authorized to solicit in Maryland. For more information and to search the registry, please visit the [Secretary of State's charities database](#).

## ORGANIZATIONS THAT CAN HELP YOU RESEARCH CHARITIES

These organizations offer reports and ratings about how charitable organizations spend donations and how they conduct business:

- [BBB Wise Giving Alliance](#)
- [Charity Navigator](#)
- [CharityWatch](#)
- [GuideStar](#)
- The IRS's [Tax Exempt Organization Search](#) tells you if your donation would be tax deductible.

<https://www.consumer.ftc.gov/features/how-donate-wisely-and-avoid-charity-scams>

# Maryland Secretary of State

## HAVE A COMPLAINT ABOUT A CHARITY?



The Secretary of State's Office investigates complaints about charity fraud. If you think you've been the victim of a scam, report it by contacting our Investigations Unit by email at [dlinvestigations\\_sos@maryland.gov](mailto:dlinvestigations_sos@maryland.gov) or by phone at 410-260-3859 or 800-825-4510.



# QUESTIONS



**NOTE: The content and presentation provided is for informational purposes only, it is not intended to be legal advice.**

## CONTACT INFORMATION

Charities & Legal Services Division

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