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Giver Beware! Give to Charity, Not Telemarketer

by Kay Steele Faulk

Thousands of Kentuckians who signed up for the Kentucky or National Do Not Call registries may still find themselves plagued by telemarketers soliciting charitable donations. With the holiday season upon us, Christmas bells won't be the only things ringing as professional solicitors take to the phones to take advantage of the season's spirit of giving. Kentucky Attorney General Greg Stumbo urges citizens to be informed so they can give wisely. "Never assume that a person calling to ask for a donation is a charity volunteer," he said.

This is because some groups—including charities—are exempt from registry rules and sell their donor lists to for-profit telemarketers. It's usually done on a percentage basis, and oftentimes the charity receives less than 15% of the funds raised.

Up against government budget cuts, stricter grant accountability rules, a tight economy and increased community need, nonprofits today face tougher competition for donation dollars. Many view the amounts brought in by professional telemarketers as "free" money they wouldn't otherwise receive.

A look at states such as New York that report gross receipts raised by telemarketers and net proceeds actually going to charity reveals that donors are definitely giving, but telemarketers are the main ones receiving.

Although this is perfectly legal, it's become a cause for concern to many. And rightly so, especially when donors' contributions represent sacrifices made by hard-working, good-hearted people wanting to help those less fortunate.

This issue is important to Kentuckians because professional telemarketers are currently registered with the Kentucky Attorney General's Office of Consumer Protection to conduct 287 fundraising promotions in the commonwealth. The promotions list is available at <http://ag.ky.gov/cp/active.htm> and discloses percentages kept by telemarketers.

At work in Kentucky for Easter Seals (and 24 other charities, all at various percentages) is Ohio telemarketer InfoCision Management Corporation. According to information reported by InfoCision to the Kentucky Attorney General, the telemarketer will keep 99 cents of every Kentucky dollar raised on behalf of Easter Seals. For those Kentuckians who give \$100, this means InfoCision keeps \$99 while Easter Seals receives a dollar.

Chris Cleghorn, Easter Seals executive vice president for direct and interactive marketing, explains, “The calling we do with InfoCision is a very specific part of our overall fundraising strategies for the purpose of reengaging lapsed donors for their ongoing support of Easter Seals.” Even after paying a high price to bring these donors back into the fold, Easter Seals earns high marks from charity watchdogs with approximately 90 percent of its revenue going to support services in the areas where funds are raised.

InfoCision is not the only telemarketer operating in Kentucky that keeps so much for itself. It is, however, a telemarketer with one of the best reputations in the industry. And certainly Easter Seals is a highly regarded charity.

So, if even the “good guys” are doing it—for legitimate strategic reasons—how can Kentuckians wanting to give, protect themselves from being misled?

According to Jennifer Dean, spokesperson for the Kentucky Attorney General’s office, consumers are not as informed as they should be. She advises, “When you’re called on the phone, do not give out bank account, social security or credit card numbers to strangers. If you’re interested in a cause, do not promise to contribute. Instead, request literature and once you’re satisfied, mail your check directly to the charity involved.”

Charity watchdog American Institute of Philanthropy warns if a charity does not provide the information requested, you may want to think twice about giving to it. Honest charities encourage your interest and respond to your questions.

To stop calls from professional solicitors, request them to remove your name from a charity’s list. If you’re called back on behalf of that charity, you can file a complaint with the attorney general by calling the toll-free hotline 866-877-STOP. You’ll need to provide the date of the call and phone number or name of the company that called. The telemarketer could be fined up to \$11,000 for each illegal call.

For a complete list of holiday giving tips, visit the attorney general’s Office of Consumer Protection at <http://ag.ky.gov/cp/chtips.htm>.