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CHARITY FRAUD: what you can do to protect yourself



It's a great feeling to provide much-needed support to charitable causes you care about. But it's not so great to discover that the gift you thought you were making to a legitimate charity was actually a scam. Following are eight steps you can take to avoid falling victim to charity fraud.

- 1) **Watch out for copycat names.** Fraud artists will often claim to represent a charity with a name that sounds deceptively similar to a legitimate charity. They may also use similar logos and graphics on their solicitations to dupe you into thinking that you're giving to a reputable charity.
- 2) **Protect your personal information.** A legitimate charity will never ask for your personal financial information over the phone, at your door or by email. You can always arrange payment later once you have determined the organization is legitimate.
- 3) **Watch out for telltale warning signs.** Sometimes fraud artists will thank you for previous pledges you don't remember making in order to create a false sense of familiarity. They often use highpressure tactics, demanding an immediate response, and give vague answers when pressed for details about their organization.
- 4) **Don't make a decision right away.** Most of the charitable appeals you receive are most likely from legitimate organizations. But it's important to take the time to make sure, before making any decisions. Someone from a reputable organization normally won't insist on an immediate decision and will give you time to make an informed choice. They will be able to provide you with specific information about their organization and ways that you can verify this information.
- 5) **Contact the charity directly.** Scammers sometimes misrepresent legitimate charities. Contact the charity directly and ask if it has authorized the appeal.
- 6) **Do your homework.** Find out as much as you can about the organization you are considering supporting. Check their Web site, read their annual reports, and gather any other background information you can find. Ask people you trust what they know about the organization.
- 7) **Confirm an organization's charitable status.** Only charities registered under the Income Tax Act can issue official receipts. Ask for the organization's charitable tax number. To find out if a charity is registered, you can visit the Canada Revenue Agency (CRA) Web site at www.cra-arc.gc.ca/tax/charities. You can also call the CRA's toll-free number at 1-888-892-5667. While not every worthwhile charitable organization is necessarily registered—and you may wish to give to charities regardless of receiving a tax receipt—being registered is a very good indication that an organization is legitimate.
- 8) **Take a more proactive approach.** Especially if you're considering more significant gifts, it makes sense to identify the charitable causes most important to you in advance, rather than responding to the first appeal. Research the charitable causes you are thinking about supporting, consider the different ways you can give to those causes, and get advice from trusted sources before making your decision. This way, you not only become a more informed donor, you can also protect yourself from potential fraud. When a fraud artist contacts you, you can simply say "No thanks" knowing that you've already made plans to give to charity.