Beware of "Scam PACS": Make Your Donations Count, Whether They're Political or Charitable



Did an organization call you asking for a donation to a police, firefighters, veterans, or cancer-patient group, or another worthy-sounding cause? It might be a political action committee pretending to be a charity, also known as a "scam PAC." Fraudsters create these organizations with names that seem like they are asking for charitable donations. PAC donations are supposed to go toward political fundraising. Many of these groups, however, are not benefitting either charitable or political activities, but are enriching themselves instead.

Is it a Charity or a Scam PAC?

Your donations to charity benefit the public and are likely deductible on your federal income-tax return. Scam PACS are formed under section 527 of the federal tax code to promote a cause that sounds charitable, but donations to them do not support charitable causes and are not taxdeductible. Scam PACs often target elderly constituents.

How To Protect Yourself

Don't rely on a charitable-sounding name alone

If you want to donate to a charity, don't assume by the name alone that the group is charitable. Scam PACs choose names that sound charitable. Their fundraising pitches include heart-grabbing statements designed to compel your donation. You can learn more about how to identify and vet a charitable organization in our publication *Giving To Charities—Know the Facts, Avoid the Scams, and Other Tips on Charitable Giving*.

Before donating to a PAC

Even if you want to donate to a PAC, it is important to do your research. Some federal PACs must register with and report to the Federal Election Commission (FEC). You can look up that data available at <u>Campaign finance data | FEC</u>. The organization known as Open Secrets provides an online search of PAC data at <u>PAC Search • OpenSecrets</u>. Look up political organizations with the Internal Revenue Service (IRS) at <u>Basic Search</u>. The nonprofit news organization ProPublica has a searchable database of PACs formed as so-called "527s" at <u>527 Explorer – ProPublica</u>. PACs may also be created under state law; find more information about your state's election offices at <u>State election agencies</u> <u>- Ballotpedia</u>.

Signs of a potential scam

If the PAC reports high expenses for fundraising, consulting, or compliance and other administrative costs, it may be a scam PAC.

Visit the PAC's website

Legitimate PACs should have working websites with contact information for their operators. If the listed phone number is out of service or you can't reach a real person, that may be a sign of a scam PAC.

Donate smartly

Rather than donating in response to a fundraising call or mailer, search out a political cause or campaign you care about to ensure your political contribution is used how you intended.

Be Aware that Scam PACs Target Seniors

Seniors are at increased risk from scam PACs because they tend to be more engaged in the political process. The most common occupation listed in FEC donor reports of known scam PACs is "retired."

Beware of Phone Calls and Texts Seeking Donations

Many scam PACs call or text potential donors. Here's how to navigate these solicitations:

Ask questions

What is the organization's exact name, web address, and mailing address? How much of your donation will go directly to the cause or campaign? Who are the people running the organization? Write down the answers and research them. Some scam PACs use names that sound like charities to deceive you.

Watch out for vague, heart-rending claims

Be suspicious of PACs that make sentimental but vague claims—for example, stating that they support certain causes, without specifics. If a group sounds like a charity but says a donation is not tax-deductible, it may be a scam PAC.

Be wary of "robocalls"

Scam PACs often use robocalls—or machines called autodialers or that use pre-recorded messages to your cell phone, pager, or other mobile device. Often times they will sound like real people and use high-pressure tactics, and ask you to donate right away before you really understand where your money is going. Don't feel pressure to donate on the phone—a legitimate organization should give you information and time to decide.

Don't click on links in text messages

"Robotexts" are text messages placed using an autodialer. Scammers can make them appear legitimate, while actually trying to trick you into providing personal information or installing malware on your phone. It's safer to visit an organization's website in a browser than following a link in a text message. Robotexters must also honor opt-out requests if you reply "STOP."

If the caller says you already pledged, stop and check

The organization may lie, saying—in a phone call or mailer that you already pledged to make a donation, or that you donated to it previously. That may make you more willing to donate. Don't feel pressured or obligated to make a donation, even if a caller says that you made a previous pledge.

Think carefully about how you donate—and watch out for automatic recurring donations.

Someone asking you to donate with a wire transfer or gift card is likely a scammer. Be suspicious of a PAC using crowdfunding sites or asking you to mail a check to a post-office box. Some PACs will set up recurring donations by forcing you to "opt out," rather than asking you to affirmatively choose to make recurring contributions. Pay close attention to form boxes—you may need to uncheck them to avoid becoming a recurring donor.

Know that if you donate over the phone, you are likely to receive more telephone solicitations.

Once you donate, your name, number, and donation history become valuable assets that may be sold or shared with other organizations.

In general, if it doesn't feel right, don't donate money.

Where Can You Report Suspected Scam PACs?

If you think you've been solicited by or donated to a scam PAC pretending to be a charity, you may report it to the Attorney General's Office as follows:

Office of Minnesota Attorney General Keith Ellison

445 Minnesota Street, Suite 1400 St. Paul, MN 55101 (651) 296-3353 (Twin Cities Calling Area) (800) 657-3787 (Outside the Twin Cities) (800) 627-3529 (Minnesota Relay) <u>www.aq.state.mn.us</u>

If a PAC seems fraudulent, you can also call the FBI's Minneapolis field office at 763-569-8000 and ask to speak to an election-crimes coordinator. You may also contact the FEC: <u>FEC | OIG | How to submit a complaint with the FEC OIG</u>. When you report a scam PAC, share any information you have, including the name and phone number of the organization or fundraiser, how the fundraiser contacted you, and what the fundraiser said.

This document is available in alternative formats to individuals with disabilities by calling

(651) 296-3353 (Twin Cities Calling Area), (800) 657-3787 (Outside the Twin Cities), or through the Minnesota Relay Service at (800) 627-3529.

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