



News Releases

MONTGOMERY COUNTY, MARYLAND

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Office of Consumer Protection Advises Consumers to Choose Charities & Donate Carefully

The Montgomery County Office of Consumer Protection (OCP) warns County residents to be cautious when donating to charities and other causes. Our community has stepped up to raise money and needed items for the families affected by the recent tragedy in our county. It is imperative to remember that scammers often use tragedies to take advantage of people.

It is important to know the difference between a charitable contribution and a donation. Charities are considered non-profit organizations and must be registered with the Office of the Secretary of State ([SOS](#)) if they solicit contributions from Maryland residents or are located in Maryland. Most consumers are very familiar with these types of charities which include commonly known ones such as the American Red Cross, Disabled American Veterans, and UNICEF.

Consumers are encouraged to be smart givers by doing the following:

- Verify a charity's non-profit status
- Review how money is spent by the charity. How much money is used for administrative costs?
- Know the difference between "tax exempt" and "tax deductible."
- Be careful of similar sounding names. A scammer may use a familiar name or generic name such as Police Fund to trick you into donating.

New fundraising vehicles are also available to individuals and groups seeking donations. One such vehicle being used to raise money is crowd-funding, the practice of funding a project or cause by raising small amounts of money from a large number of people. In recent years, crowd-funding has grown in popularity and is estimated to have raised over \$5 billion in 2013. Crowd-funding is typically done on the internet through websites including Kickstarter, Indiegogo, and gofundme. In today's world of social media and electronic payment, it is extremely easy to click and pay. Online fundraising makes it very easy for consumers to click a link, enter payment information, and a donation can be made in less than five minutes.

OCP offers the following advice to consumers:

- Donate only to users that you know and trust. It is easy to verify a relative's fundraising request; however, responding to a local tragedy or catastrophe may take some research on your part. Verify that the donation is going to a legitimate source.
- Be careful about bogus websites claiming to be donation centers
- Be aware of any fees associated with a platform. Always read the fine print and be aware that the method of payment may involve additional fees.
- Verify requests from people that you know. Scammers often hack personal email accounts and use the information to steal money.

OCP, the County's consumer protection agency, investigates thousands of complaints each year involving automotive sales and repairs, new home purchases, home improvements, credit issues, retail sales, internet services and most other consumer transactions. OCP provides pre-purchase information to consumers, as well as speakers to the community on consumer issues.

For more information, call 240-777-3636 or visit OCP's website at
<http://montgomerycountymd.gov/consumer>.

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