



DEPARTMENT OF THE ATTORNEY GENERAL

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**ATTORNEY GENERAL JOINS FEDERAL, STATE CRACKDOWN
AGAINST FOUR CANCER CHARITIES THAT ALLEGEDLY BILKED
MORE THAN \$187 MILLION FROM CONSUMERS**

Attorney General Doug Chin joined with the U.S. Federal Trade Commission and other states in a complaint charging four sham cancer charities and their operators with bilking more than \$187 million from consumers.

According to the complaint, the defendants told donors their money would help cancer patients, including children and women suffering from breast cancer, but the overwhelming majority of donations benefited only their paid fundraisers, perpetrators, their families and friends. The defendants allegedly used telemarketing calls, direct mail, websites, and materials distributed by the Combined Federal Campaign, which raises money from federal employees for non-profit organizations, to portray themselves as legitimate charities with substantial programs that provided direct support to cancer patients in the United States, such as providing patients with pain medication, transportation to chemotherapy, and hospice care.

In fact, the complaint alleges that the defendants used the organizations for lucrative employment for family members and friends, and spent donations on cars, trips, luxury cruises, college tuition, gym memberships, jet ski outings, sporting events and concert tickets, and dating site memberships. The defendants also hired professional fundraisers who often received 85 percent or more of every donation.

The complaint alleges that, to hide their high administrative and fundraising costs from donors and regulators, the defendants falsely inflated their revenues by reporting more than \$223 million in donated "gifts in kind" which they claimed to distribute to international recipients. In fact, the defendants were merely pass-through agents for such goods. 36 states including Hawai'i alleged that the defendants filed false and misleading financial statements with state regulators.

Chin stated, “I am happy to join with our state and federal colleagues as we present a unified front combating charity fraud of the worst kind. With our actions today we are permanently ending deceptive solicitations that claimed to assist children with cancer and breast cancer patients—solicitations that targeted residents of Hawai‘i and every other state in the country.”

Named in the federal court complaint are:

- The Cancer Fund of America, Inc.
- Cancer Support Services, Inc.
- The Children’s Cancer Fund of America, Inc.
- The Breast Cancer Society of America, Inc., and
- Four individuals.

Certain defendants have agreed to settle the charges against them. Under the proposed settlement orders, James Reynolds II, Rose Perkins and Kyle Effler will be banned from fundraising, charity management, and oversight of charitable assets. The Breast Cancer Society of America, Inc. and Children’s Cancer Fund of America, Inc. will be dissolved. Litigation will continue against the remaining parties.

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