



**DEPARTMENT OF THE ATTORNEY GENERAL**

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**SHAM CANCER CHARITIES SHUT DOWN UNDER INJUNCTION**

HONOLULU – Attorney General Doug Chin, along with the Federal Trade Commission (FTC) and agencies from all 50 states obtained a permanent injunction to dissolve two nationwide sham cancer charities and ban their president from profiting from any charity fundraising in the future under an order filed in court today.

Cancer Fund of America, Inc. (CFA), Cancer Support Services, Inc. (CSS) and their leader, James Reynolds, Sr., agreed to settle charges that CFA and CSS claimed to help cancer patients, but instead, spent donations on trips, luxury cruises, jet ski outings, college tuition, sporting events and dating site memberships for their operators, families and friends.

“The FTC and our state enforcement partners have ended an egregious charity fraud that siphoned hundreds of millions of dollars away from well-meaning consumers, legitimate charities, and people with cancer who needed the services the defendants falsely promised,” said **Jessica Rich, Director of the FTC’s Bureau of Consumer Protection**. “Today’s settlement, along with those announced earlier, shut down the sham charities once and for all and banned the individual perpetrators for life.”

The agencies’ complaint, filed in May 2015, targeted four sham charities run by Reynolds and his family members that allegedly bilked more than \$187 million from donors. CFA and CSS were responsible for more than \$75 million of that amount. The other two sham charities settled in May 2015. The settlement announced today concludes the largest joint enforcement action ever undertaken by the FTC and state charity regulators.

The order imposes a judgment against CFA, CSS, and Reynolds, jointly and severally, of \$75,825,653, the amount consumers donated to CFA and CSS between 2008 and 2012. The judgment against CFA and CSS will be partially satisfied via liquidation of their assets. The judgment against Reynolds will be suspended upon surrender of certain artwork, two pistols, and sale of a pontoon boat. The full judgment will become due immediately if he is found to have misrepresented his financial condition.

The other defendants in the case were CFA's and CSS's chief financial officer and CSS's former president, Kyle Effler; Children's Cancer Fund of America Inc. (CCFOA) and its president and executive director, Rose Perkins; and The Breast Cancer Society Inc. (BCS) and its executive director and former president, James Reynolds II. Under settlement orders, Effler, Perkins and Reynolds II were banned from fundraising, charity management, and oversight of charitable assets, and CCFOA and BCS are in receivership and will be dissolved after their assets are liquidated.

**Attorney General Chin** said "The FTC and New Mexico and Missouri state attorneys provided extraordinary vision and leadership to coordinate this historic settlement. If you get a telephone call from a charity, don't give them money until you check them out on our official website first."

Before donating, people may search for the charity's registration and information at the Department of the Attorney General's website:

<https://ag.ehawaii.gov/charity/welcome.html> and report any issues or concerns at: <http://ag.hawaii.gov/tax/whistle-blower/>.

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