

AG Balderas shuts down deceptive veterans' charity

Written by Staff Reports

Friday, 10 November 2017 09:00



Sham charity raised money, but had no local programs

ALBUQUERQUE – Attorney General Hector Balderas announced Nov. 6, a settlement between 27 states and VietNow National Headquarters, Inc., an Illinois nonprofit corporation, resulting in the organization's dissolution.

The states alleged thousands of deceptive solicitation violations against VietNow for misrepresenting its charitable programs to donors, including in New Mexico. The investigations of VietNow by Attorney General Balderas and other states led to the present negotiated resolution.

“Preying on New Mexicans’ generosity and desire to help our veterans is disgusting and I pleased to say we have shut down this sham charity just days before Veterans Day,” Balderas said. “I am encouraging New Mexicans to support our veterans this week by volunteering or making donations to reputable organizations, like New Mexico Veterans Integration Centers, that operate on the ground helping veterans and their families around the state.”

To learn more about New Mexico Veterans Integration Centers please call [\(505\) 265-0512](tel:5052650512) or visit

<http://www.nmvic.org/>

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This settlement resolves the allegations and investigations by appointing a receiver to dissolve VietNow. The settlement also obtains injunctive relief against VietNow's directors and officers and requires their cooperation in investigations of VietNow's professional fundraisers. Upon

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dissolution, VietNow's remaining funds will be paid to two national and well-respected veterans charities, Fisher House Foundation and Operation Homefront.

Since March 2015, VietNow—which also uses the name VeteransNow—had been raising money using deceptive telemarketing solicitation scripts. The scripts, which were used by professional fundraiser Corporations of Character, told potential donors that VietNow gave a minimum of 12 percent after expenses back to veterans in the donors' state; other scripts stated that donations helped local veterans in the donors' state.

However, VietNow admitted that it had not funded any programs that assisted veterans in New Mexico; nor did VietNow have local programs in most other states. Other VietNow scripts claimed that VietNow provided “medical facilities and treatment” to veterans, but again, VietNow's response identified no such programs.

In its most recent financial statement, VietNow reported raising nearly \$2 million nationwide. But most of this cash was paid to fundraisers, with less than 5 percent of funds raised going to its charitable programs.