

## Charity Racketeers Fleece Millions by Mail, Telephone

**Editor's Note:** For a list of American charity begins at home—and the racketeers know it. That's one reason they're able to take in some 130 million dollars every year through vicious mail and telephone swindles. Here's how some of them operate and how you can protect yourself.

By ROGER D. GREENE  
AP Newsbusiness Writer

WASHINGTON 48 — Chief Inspector David Stephens of the U.S. Post Office department read the teletype message and shook his head wearily.

It's a vicious racket . . . vicious. The wonder is that people are still falling for it."

The message came from Chicago. It told how postal inspectors had arrested a swindler who preyed on scores of bereaved families by sending them cheap Bibles addressed to the deceased—for \$5 C.O.D.

But the Chicago incident is just a drop in the nationwide bucket of the fast-buck boys, charity racketeers, mail-order gypsies, "Bible Room" crews and other fly-by-night operators fleece the American public out of millions of dollars a year.

In the charity field alone, the Better Business Bureau estimates at least 130 million dollars falls into the hands of charlatans and get-rich-quick promoters. A total of four billion dollars is contributed annually to legitimate U.S. charities.

"That means 130 million dollars is going into the pockets of racketeers which should be going to aid legitimate charities," Inspector Stephens said.

**Bible Swindle**  
In the Chicago "Bible swindle," the culprit watched obituary notices published in newspapers and mailed out 100 Bibles C.O.D. in the names of the dead persons. Survivors assumed the deceased had ordered the books and paid for them. The reported \$5 Bibles cost \$1 apiece.

Police buses squads and postal authorities are constantly on the alert for such "beard chasers," as these parasites of the underworld are known. Around 1 1/2 million Americans die annually. That is the grim harvest they feed on.

"The Bible swindle is an old trick," Stevens said. "I recall cases of at least 20 years ago, and it probably goes back long before that. Nowadays we get a lot of variations on the same theme."

Stephens, whose nationwide force of 1,000 postal inspectors investigates thru-the-mail crimes ranging from extortion, fraud and forgery to mail theft, said the charity racket is the most lucrative of all the myriad traps baited for kind-hearted but gullible citizens.

A recent case, he said, involved an outfit which billed itself as the "Department of California Handicapped War Veterans"—implying it was an official state agency—and solicited funds for alleged hospital care of veterans.

\$77,000 for "expenses"  
In three months, he said, the promoters took in \$120,000 and pocketed \$77,000 for "expenses." Ten firms were indicted for mail fraud and conspiracy after postal inspectors cracked down.

In another case, Stephens said, a Pittsburgh man sent out 100,000 letters a month containing cheap plastic crucifixes along with an emotional appeal for \$1 to aid Catholic charity. He was raking in \$1,200 a day when postal inspectors tapped on his door. He is now under mail-fraud indictment.

Stephens said the post office department is now getting many complaints about so-called charity organizations and outright swindlers flooding the mails with unneeded merchandise — bellpoint pens, neckties, cheap wallets, goodluck pieces, "guaranteed" family coats-of-arms and other gimmicks. Usually it is offered on "10-day approval" terms.

As long as the trash isn't sent C.O.D. and doesn't violate postal regulations against fraud or deception, there is little the Post Office department can do about it.

"But we can warn the public," Stephens said, "and we investigate all complaints."  
Chairman John Dowdy (D-Tex.) said his House Post Office subcommittee is making a study of the entire situation as a basis for possible new laws to curb unneeded "junk" sent through the mail. The lawmakers may also consider legislation requiring charity fund-raisers to submit detailed reports on how much money is raised and how it is used.

Los Angeles now has an ordinance setting rigid standards for "Truth, honesty and integrity" in charity drives.

"We're just beginning to get the facts lined up," Dowdy said. "It's a serious problem. People think they are helping charity and all they're doing is filling promoters' pockets or paying money for worthless merchandise."

Leland S. McCarthy, managing director of the Washington Better Business Bureau, offers this advice:

"There is absolutely no legal obligation to return anything you didn't order, even if it's accompanied by stamps to cover return postage. You can keep the stamps or give them to some worthwhile charity."

"And you can do what you like with the merchandise, without paying for it, unless the sender calls at your home in person or sends an agent to collect it within 30 days. Even then you can demand storage charges for keeping the parcel."

"My advice is that if you don't want the merchandise, throw it on top of the trash can. Maybe the garbage collector can use it. Otherwise, let your conscience be your guide. If you use it, of course, you should pay for it."

McCarthy said the nation's 100

Better Business Bureau handled over two million complaints last year with many of them involving unneeded "junk" and phony charities.

"The kind of charity fund-raising campaign we don't like and are fighting all the time is where they have paid promoters," he said. "We've found that in most cases only 10 or 15 per cent of the money goes to charity."

the best charities get along on six or eight per cent for expenses, or less."

McCarthy said the National Assn. of Better Business bureaus, a nonprofit group established in 1920, recently issued warnings about a new outfit which claims to help veterans get employment free of charge.

"They're sending out 2 1/2 million halfpoint pens at \$1 apiece using the veterans angle as an appeal," he said. "Every time we ask for information about their operations, they just send us an order blank saying 'order more pens.'"

"However, we found out they need \$90,000 for expenses before a nickel goes toward helping veterans."

One of Worst  
Experts say one of the worst rackets is the "bible room" approach in which high-pressure salesmen, manning a battery of telephones, keep the wires humming with appeals for money for youth centers, orphanages, hospitals, summer camps, and so on.

A New York legislative committee, which investigated charity rackets in 1953, heard testimony from detectives who hired out as "bible room" salesmen to collect evidence. Witnesses said they had been instructed to pose as priests, rabbis, doctors, lawyers and city officials and to drop big names in making their "pitch."

When a prospect balked at contributing, the caller would say "Just a minute, the mayor will speak to you." Then another salesman would take over, posing as "the mayor."

The New York committee found that most of these glib operators were greedily practicing the precept that "charity begins at home." The committee said at least three per cent of the 750 million dollars given to charity annually in New York—or 22 1/2 million—went to fraudulent or questionable fund-raising schemes.

The committee noted the case of a Detroit promoter who mailed out 2,000 crisp new \$1 bills with an appeal to help build a "National Cancer Hospital of America" by returning the original dollar plus another dollar or more.

The promoter, it was testified, ran his \$2,000 up to \$650,000 and charged \$485,000 to fund-raising expenses.

Even some legitimate charities fall into the hands of the promoters who pocket as much as 50 per cent of the "take."

As an example, the Better Business Bureau says the "Gold Star Star Wives Service Foundation" collected \$2,500,000 by mailing out punchboards, cheap wallets, greeting cards and Lord's Prayer medallions, but got less than \$400,000 after "fund-raising expenses."

Know Charity  
How can generous-hearted Americans guard against falling for fake charities? Experts suggest:

1. Know your charity is authentic before you give.

2. Don't be fooled by big-shot names or fancy letterheads or appeals for funds. Maybe they are authorized, maybe not.

3. Beware of sending money to post office box addresses. Legitimate charities usually have well-established permanent addresses.

4. Never promise to send money solicited by telephone.

5. If an unknown collector comes to the door, tell him to return tomorrow because you want to check up on his agency with the local chamber of commerce or police. Chances are you'll never see him again—not if he sees you first!

Authorities say these five safeguards are the best defense against larceny-minded chiselers, but it's still human nature to be gullible. Some hurried citizens don't even bother to think twice about the purported charity they are asked to help.

That's why a fast-talk artist was able to collect \$15 in a few hours brazenly soliciting funds to aid "The widow of the unknown soldier."

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**JOB FOR STUDENTS**  
EAST LANSING, Mich. (AP) — Joe College and Betty Coed are still working their way through college. During the last fiscal year, \$1,313,965 was paid to approximately 7,000 students who worked part-time at Michigan State University. Students worked on all types of jobs from baby sitting to graduate assistantships.

**SIDEWALK AUDIENCE**  
KNOXVILLE, Tenn. (AP) — City Welfare Director Jimmy Walls suggested a solid fence be erected around the open-air amphitheater at the municipally-owned Chilhowee Park. As it is now, he said, events at the amphitheater can be both seen and heard from the sidewalk. Cuts down on paid admissions.

**QUICK TIME JOB**  
PHILADELPHIA (AP) — Production of the song "Monte Carlo Moon" was a quick time job, says Ruth Seltzer, columnist for the Philadelphia Bulletin. She suggested to a friend, Olivia Watson, that she write a song about the Grace Kelly-Prince Rainier wedding.

The words with music by Mrs. William Burns were turned out within 36 hours. Although neither Miss Watson nor Mrs. Burns are well-known song writers it was accepted and published within a week, Miss Seltzer says.

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