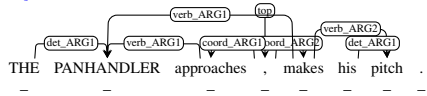
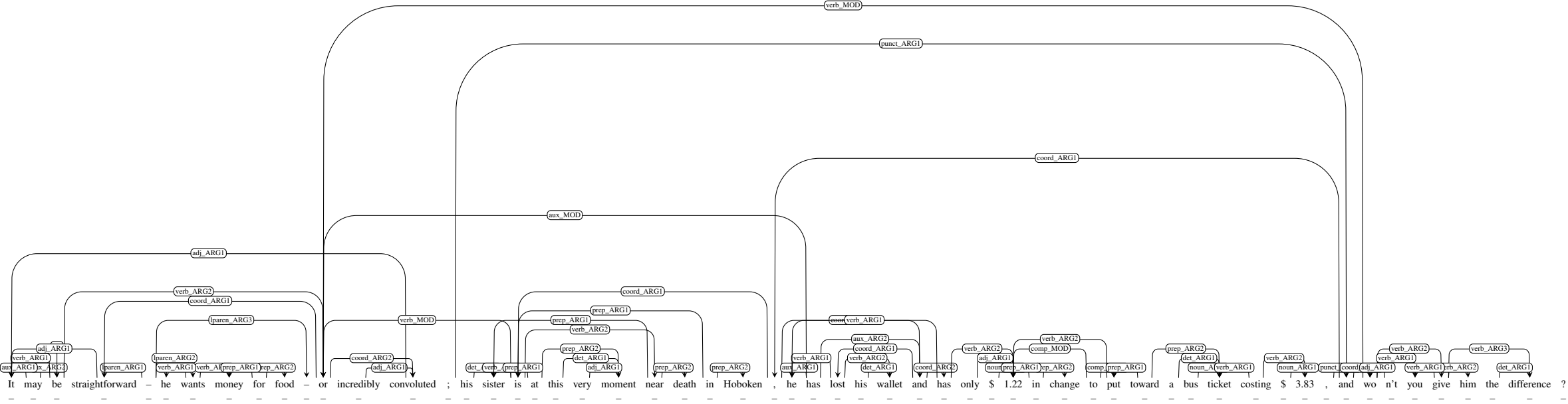


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[21625001]



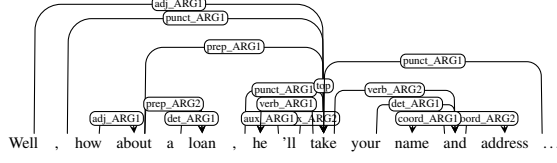
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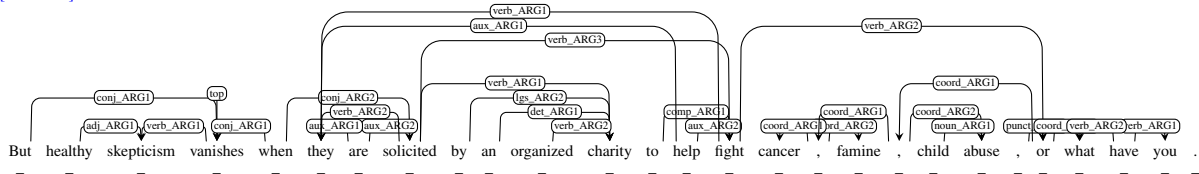
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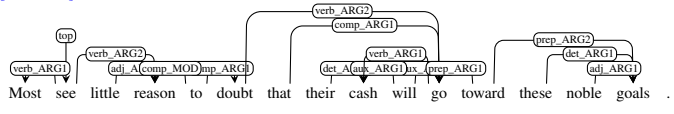
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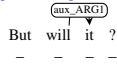
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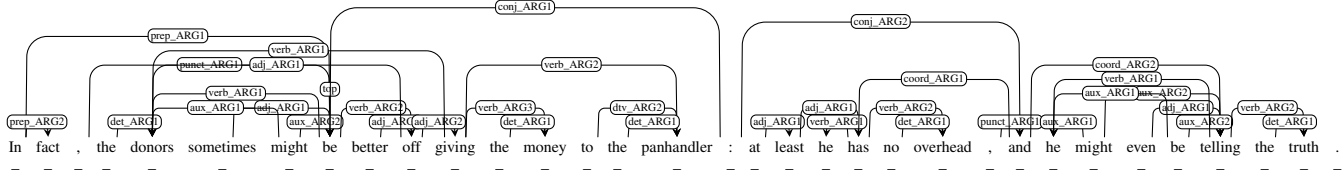
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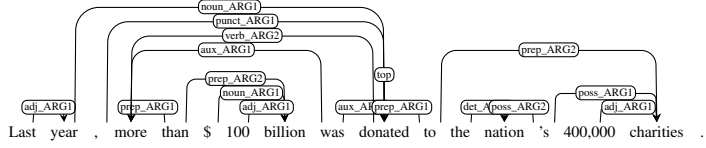
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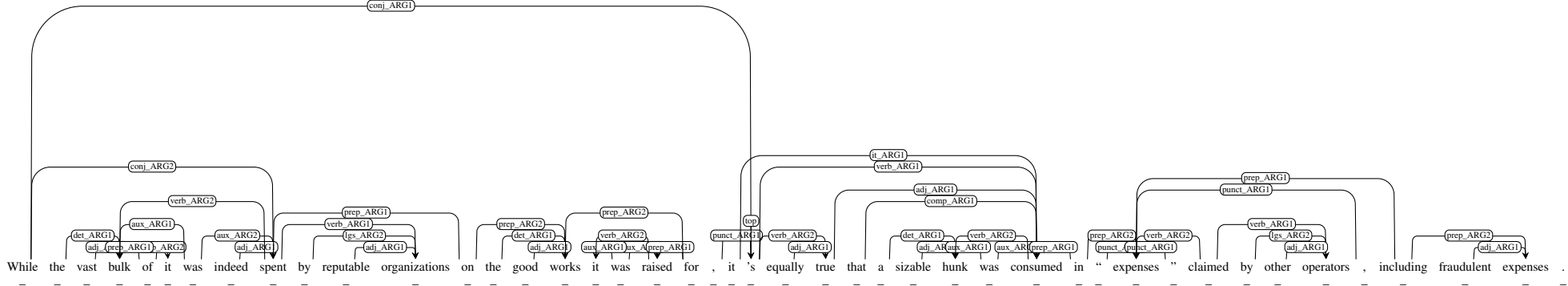
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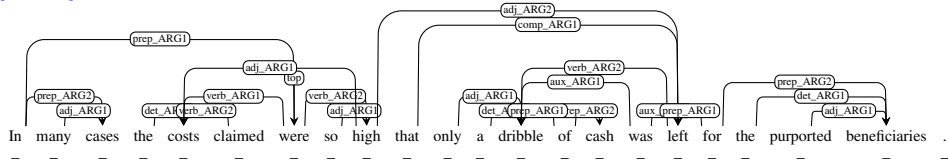
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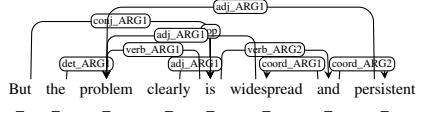
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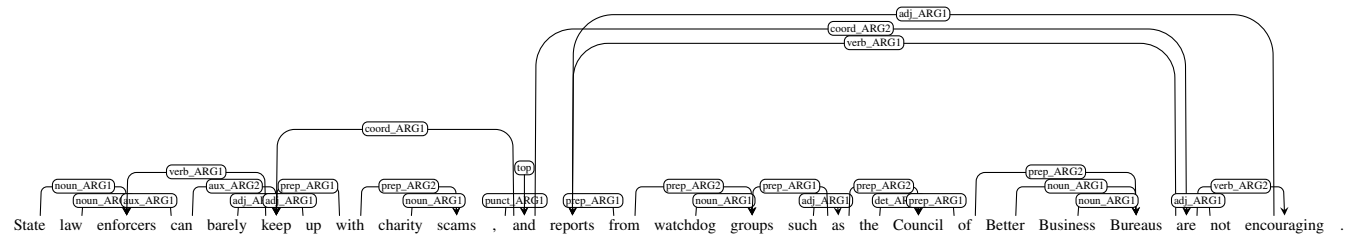
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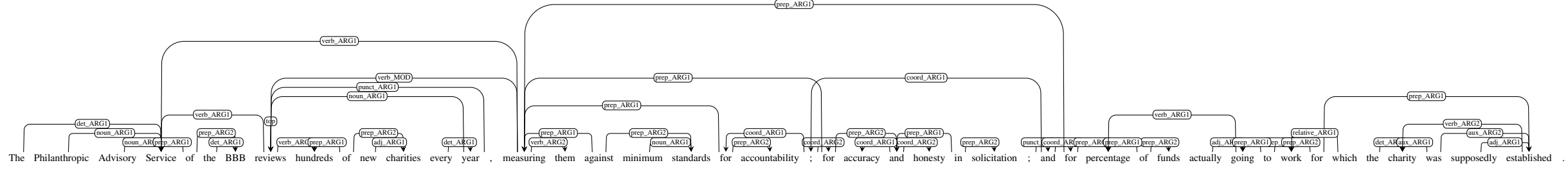
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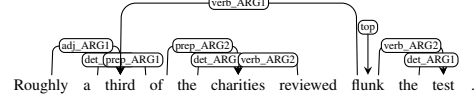
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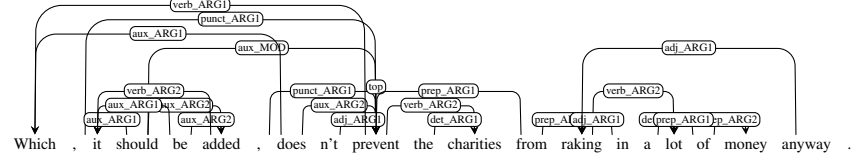
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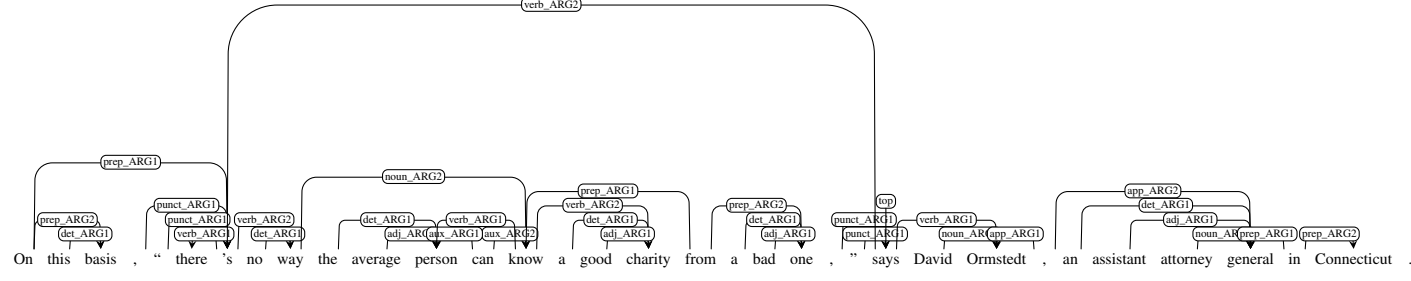
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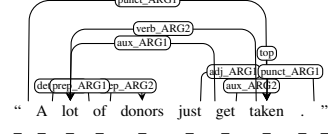
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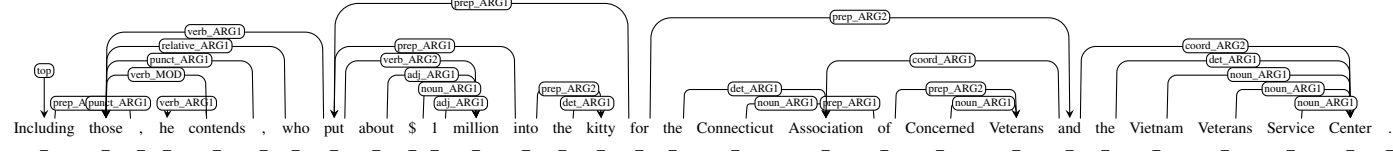
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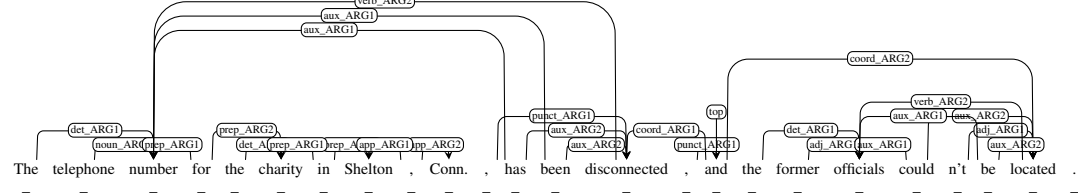
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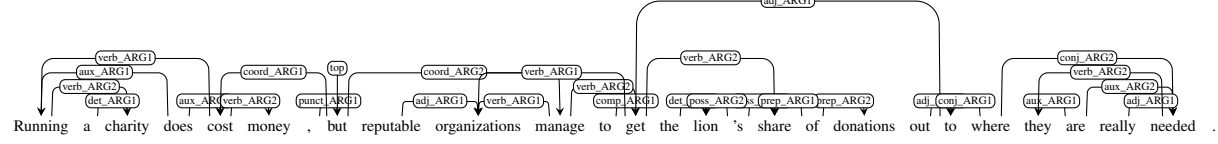
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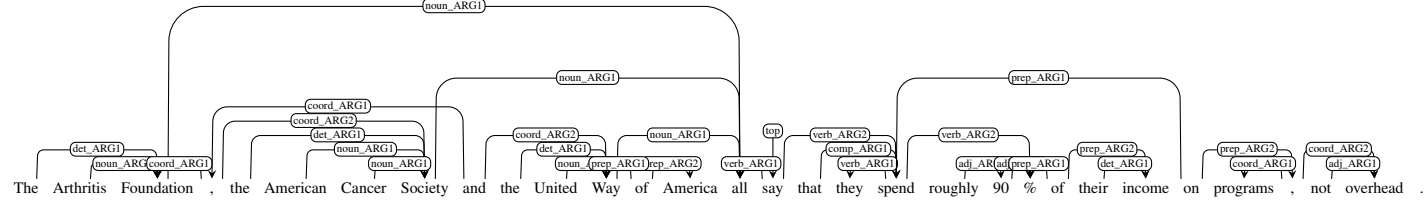
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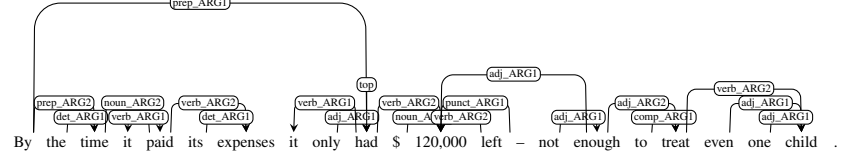
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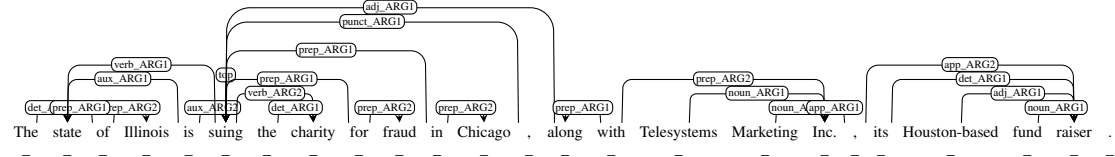
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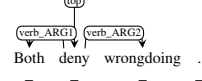
[21625031]



[21625032]



[21625033]



[21625034]

The charity admits spending a lot on fund raising , but says that was necessary to establish a donor base it can tap at much lower cost in years to come .

[21625035]

Michael Burns , president of Telesystems , says his concern has only benefited from the publicity surrounding the case , noting that three other charities have signed on as clients because they were impressed with the amount he raised for National Children 's .

[21625036]

Meanwhile , a state court judge has allowed the charity to go on soliciting funds .

[21625037]

Enforcers ca n't put charities out of business simply because they spend the lion 's share of their income on fund raising .

[21625038]

State laws previously used as a yardstick minimum percentages of income usually half - that had to be spent on the program rather than overhead , but these have been overturned by the U.S. Supreme Court .

[21625039]

It has ruled that such laws might work to stifle fund raising , which would amount to limiting the charities ' first-amendment right to freedom of expression .

[21625040]

This puts upon enforcers the burden of proving outright fraud or misrepresentation , and such actions have been brought against hundreds of charities recently .

[21625041]

The attorney general 's office in Connecticut alone has put seven of them out of business over the past couple of years , and the enforcement drive is continuing there and elsewhere .

[21625043]

Illinois , for instance , currently has under investigation 10 of the 30 companies drumming up funds for charities soliciting there .

[21625044]

Enforcers pay special attention to operators using sweepstakes prizes as an additional inducement to give .

[21625046]

According to the Illinois attorney general 's suit , Watson & Hughey sent mailings indicating that recipients were guaranteed cash prizes , and could win up to an additional \$ 1,000 on top of them , if they contributed as little as \$ 7 .

[21625047]

But the total value of the prizes was only \$ 5,000 and most " winners " will receive just 10 cents , according to the attorney general 's office .

[21625048]

The suit is still pending in Illinois state court .

[21625049]

Watson & Hughey has denied the allegations in court ; officials decline to comment further .

[21625050]

While they can target some of the most obvious miscreants , enforcers concede that they are only scratching the surface .

[21625052]

One maneuver : the " public education " gambit .

[21625053]

The solicitation material indicates that donations will go toward a campaign alerting and informing the public about some health or other issue .

[21625054]

What it does n't say is that the entire " campaign " may be the fund-raising letter itself .

[21625056]

" By putting these pithy statements on the solicitations , hundreds of thousands of dollars are claimed to have been spent on education to consumers when in fact this represents the costs of sending the newsletters . "

[21625057]

Mr. Webster cites a four-page mailing from the United Cancer Council that offers a chance to win \$ 5,000 in gold bullion to those giving as little as \$ 5 to cancer education .

[21625058]

" A few boilerplate warnings about cancer appear but that 's only two inches in all four pages .

[21625062]

The established charities are bothered by this but say they can do little about it .

[21625063]

" We ca n't police the many organizations that have sprung up in the last few years using part of our name .

[21625065]

And sometimes a reputable charity with a household name gets used and does n't even know it .

[21625066]

A couple in Rockford , Ill. , raised \$ 12,591 earlier this year using the name and logo of Mothers Against Drunk Driving , without permission from the group .

[21625067]

