

HB

113

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 22, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/02/93

The FINANCE Committee considered:

HB 113

HOUSE BILL NO. 113

CHARITABLE & TELEPHONIC SOLICITING/SALES

"An Act regulating the solicitation of contributions by charitable organizations and paid solicitors and the solicitation of sales by telephonic means; and amending Alaska Rules of Civil Procedure 79 and 82."

RECOMMENDATIONS: the same title
 be replaced with CSHB113 (Fin) a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) PS 3/5/93

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Ronald J. Larson</i> Larson	x				
<i>Sean P. Parrell</i> Parrell	x	<i>Mark Hanley</i> Hanley		x	
<i>Ben Grussendorf</i> Grussendorf	x	<i>Leann Martin</i> Martin		✓	
<i>Richard D. Hoffman</i> Hoffman	x	<i>Paul Hoffman</i> Hoffman		✓	
<i>John Theoria</i> Theoria	x	<i>John Theoria</i> Theoria		x	
<i>Eileen P. McLean</i> McLean		<i>Eileen P. McLean</i> McLean			✓

Eileen P. McLean *Ronald J. Larson*

 SIGNATURE

7)
Date Referred: February 1, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/04/93

The LABOR AND COMMERCE Committee considered:

HB 113

HOUSE BILL NO. 113

CHARITABLE & TELEPHONIC SOLICITING/SALES

An Act regulating the solicitation of contributions by charitable organizations and paid solicitors and the solicitation of sales by telephonic means; and amending Alaska Rules of Civil Procedure 79 and 82."

RECOMMENDATIONS:

be replaced with _____ the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note LAW 2/12/93

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian J. Porter</i>	<input checked="" type="checkbox"/>				
<i>Joe Sittler</i>	<input checked="" type="checkbox"/>				
<i>Golden Hader</i>	<input checked="" type="checkbox"/>				
<i>Chris [unclear]</i>	<input checked="" type="checkbox"/>				
<i>Bill Hudson</i>	<input checked="" type="checkbox"/>				

Bill Hudson
CHAIRMAN'S SIGNATURE

(11)

Date Referred: March 5, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 3-19-93

The JUDICIARY Committee considered:

HB 113

HOUSE BILL NO. 113

CHARITABLE & TELEPHONIC SOLICITING/SALES

"An Act regulating the solicitation of contributions by charitable organizations and paid solicitors and the solicitation of sales by telephonic means; and amending Alaska Rules of Civil Procedure 79 and 82."

RECOMMENDATIONS:

be replaced with CS HB113 (JUD)

the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

SA zero fiscal note LAW 2-12-93

zero fiscal note(s) LAW 2-12-93

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian S. Porter</i>	<input checked="" type="checkbox"/>	<i>Tom Nordlund</i>		<input checked="" type="checkbox"/>	
<i>Gail Phillips</i>	<input checked="" type="checkbox"/>				
<i>Committee Jones</i>	<input checked="" type="checkbox"/>				
<i>Bob [unclear]</i>	<input checked="" type="checkbox"/>				
<i>[unclear]</i>	<input checked="" type="checkbox"/>				

Brian S. Porter
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 113

Revision Date: February 12, 1993
Title: "...regulating the solicitation of charitable contributions...solicitation of sales by telephonic means..."
Sponsor: Representative Larson
Requestor: Representative Larson

Department Affected: Law
BRU: Legal Services
Component: Fair Business Practices
COMPONENT SERIAL NO. 1823

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Please see attached analysis.

Prepared by: Richard I. Pegues, Director
Division: Administrative Services Division
Approved by Commissioner: Charles E. Cole, Attorney General
Agency: Department of Law

Phone: 465-3672
Date: February 12, 1993
Date: February 12, 1993

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further information, contact the Legislative Office

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 113

ANALYSIS: (continued)

This bill would amend Title 45 by adding regulatory provisions to address abuses in charitable fundraising and telemarketing solicitations.

Under this bill, non-exempt charities would be required to:

1. File registration papers with the attorney general identifying the party making the charitable solicitation, and describing the charitable purpose to be served with the proceeds;
2. Execute written contracts with any paid fundraisers establishing the method of payment for the paid fundraiser, including the amount of any contingent fee; and
3. Provide certain information to donors.

Non-exempt telemarketers would be required to:

1. Register with the attorney general; and
2. Execute written contracts with customers as a condition of closing any sales. This provision creates an enforceable "cooling off period" that is currently lacking in these high pressure sales situations.

The bill provides criminal penalties for charitable solicitors who refuse to honor the consumer's right to revoke a deal, or who take the consumer's money without observing the cooling off period under the written contract provision.

This bill is an attempt to solve the related problems presented by high pressure charity fundraisers who make misrepresentations regarding their fundraising purposes; and telephone sales artists who use high pressure tactics to sell merchandise at greatly inflated prices with false promises of extravagant prizes, and other illusory inducements.

Because there is no regulatory scheme now in effect, the Department of Law cannot say with certainty how much additional staff time will be required to meet the paperwork generated by this bill. But we estimate that the initial year's filings will not greatly exceed 250 charities, and 100 telemarketers.

The staff time needed to file the registration documents will be partially offset by a time savings in the investigation sphere, because the files will contain data that significantly reduces investigative effort in cases involving charitable fundraisers and telemarketers. Both types of cases currently involve significant investigative time spent identifying the people and organizations involved. Of course, to the extent that the bill deters illegal conduct, it will result in additional reductions of investigative time, due to the reduction in law violations requiring investigation. Investigators will be free to devote resources to those other pressing matters needing their attention which currently go unaddressed because of reduced funding.

In the event that the time estimates are inaccurate, the Department of Law may need to return with a request for additional funding in the future. Until such time, however, this bill does not require an increased appropriation.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 19, 1993

SUBJECT: Sectional summary of CSHB 113(FIN)

TO: Representative Ron Larson
Attn: Judy

FROM: Theresa L. Bannister *TB*
Legislative Counsel

You have requested a sectional summary of the above described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 of the bill adds a new chapter regulating telephonic solicitations.

Section 45.63.010 requires a person selling property or services by telephonic means to register with the Department of Law before the solicitation campaign, if the person makes substantially the same offer on substantially the same terms to two or more persons. Establishes certain procedures and information requirements for registration. Prohibits the seller from giving false information in the notice of intent to engage in the solicitation campaign.

Section 45.63.020 requires a telephonic seller to obtain from the buyer a signed, written contract before finalizing a purchase payment. Requires the contract to notify the buyer of the buyer's cancellation and replacement rights under sec. 45.63.030.

Section 45.63.030 provides the buyer with certain cancellation and replacement rights. Establishes when the sale becomes final.

Section 45.63.040 prohibits the seller from making certain representations to the buyer.

Section 45.63.050 prohibits a waiver of the buyer's rights under the chapter. Makes a waiver void.

SECTIONAL ANALYSIS

Alaska State Legislature

Session Address:
STATE CAPITOL BUILDING
ROOM 502
JUNEAU, ALASKA 99801-1182
(907) 465-3878
FAX (907) 465-2293



Interim Address:
P.O. BOX 53
PALMER, ALASKA 99645
(907) 746-1046 - Palmer
(907) 746-3560 - FAX
(907) 376-8028 - Wasilla

Representative Ronald L. Larson
District 27

POSITION PAPER HB 113

I have introduced HB113 in an effort to regulate telemarketers and Charitable Organizations who solicit donations by telephone. There has been a dramatic increase in fraudulent activity in this area. It has been brought to my attention that these scam artists have caused the loss of millions of dollars each year in Alaska -- money that would otherwise circulate among legitimate businesses in the local economy. Many of these victims are elderly or reside in native villages and once a solicitor has been successful in ripping these people off, their name is often sold to other solicitors, in order to continue the practice.

I would hope with regulations in place, the public, would have a renewed trust, again, in giving to legitimate charitable organizations, and that the immediate distrust when that telephone rings would be replaced with a confidence that a person is giving to a regulated charity, and indeed that their hard earned money is going to that organization and its charitable needs.

A mandated "cooling off period" prohibits the telemarketer from taking the customer's money until the agreement is reduced to a written contract. This will avoid hasty credit card transactions over the phone, without the consumer having the time to consider the donation.

These types of regulations are already in place in other states, it is time for Alaska to take the steps needed in regulating this type of activity.

SPONSOR STATEMENT



Alaska State Legislature

Session Address:
STATE CAPITOL BUILDING
ROOM 502
JUNEAU, ALASKA 99801-1162
(907) 465-3878
FAX (907) 465-2293

Interim Address:
P.O. BOX 53
PALMER, ALASKA 99645
(907) 746-1046 - Palmer
(907) 746-3560 - FAX
(907) 376-0628 - Wasilla

Representative Ronald L. Larson
District 27

MEMORANDUM

TO: Senator Robin Taylor, Chairman
Senate Judiciary Committee

FROM: Representative Ron Larson *RL*

DATE: April 13, 1993

RE: Request to Hear - HB113

I respectfully request that HB113, An Act regulating the solicitation of contributions by charitable organizations and paid solicitors and the solicitation of sales by telephonic means, be heard in the Senate Judiciary Committee pending referral from the Senate Labor and Commerce Committee. It is being scheduled for hearing in Senate L&C on Tuesday, April 20th. HB 113 is my personal priority for this session. In order to have a chance of passing this session, I would appreciate a hearing by the Committee at the end of next week, pending referral. Thank you for your attention to this request.

This bill passed out of House L&C with 5DP, out of House Judiciary with 5DP and 1NR. It passed out of Finance with 5DP, 4NR and 1AM (which was taken care of in Finance). HB113 passed the House unanimously.

There has been a dramatic increase in fraudulent activity in this area. This bill will regulate telemarketers and Charitable Organizations who solicit donations by telephone. These scam artists have caused the loss of millions of dollars each year in Alaska--money that might otherwise circulate among legitimate businesses in the local economy. Many of these victims are elderly or reside in native villages and once a solicitor has been successful in ripping these people off, their name is often sold to other solicitors.

These types of regulations are already in place in other states, it is time for Alaska to take the steps needed in regulating this type of activity.



LEGISLATIVE COMMITTEE REPORT

DATE: 4/21/93

FURTHER: FINANCE

DATE TURNED INTO OFFICE: 4/23/93

JUDICIARY Committee considered CS FOR HOUSE BILL NO. 113(FIN)

"An Act regulating the solicitation of contributions by charitable organizations and paid solicitors and the solicitation of sales by telephonic means; and amending Alaska Rules of Civil Procedure 79 and 82."

and recommends:

- replace with _____ CS _____ (_____) same title
- or CS _____ (_____) new title
- attaches amendment(s) technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
LAW	2-12-93	✓	

Appropriation No Fiscal Note

DO PASS:

Rich Halford

George Acha

OTHER RECOMMENDATIONS:

Suzanne R Little No Rec

Chris L. Taylor DA 1000

Chair: Signature and Recommendation

MEMORANDUM

State of Alaska

Department of Law

TO: Honorable Ron Larson
State of Alaska
House of Representatives


DATE: January 29, 1993

FILE NO:

TEL. NO: 269-5206

SUBJECT: House bill regulating
telephonic and charitable
solicitations

FROM:


James Forbes
Assistant Attorney General
Fair Business Practices Section

Description of Bill

This bill would regulate solicitations for telephonic sales and charitable fund raising; areas which are, for the most part, unregulated. State consumer protection investigators have noticed a dramatic increase in fraudulent activity in this area. Most states have adopted legislation dealing with charitable solicitation fraud and telemarketing scams, but Alaska lags behind. As a result, scam artists are increasingly avoiding those states, and are concentrating their activities on unregulated states, such as Alaska. We believe that they cause the loss of millions of dollars each year in Alaska -- money which would otherwise circulate among legitimate businesses in the local economy. Many of the victims are elderly or reside in native villages, and we have documented cases where individual victims have lost substantial amounts of money -- in the tens of thousands of dollars.

Section 1: Regulation of Telemarketers

Purpose: This section is designed to curtail a rampant form of fraud which typically involves a high pressure sales pitch by telephone. The caller is almost invariably an out-of-state "boiler room" operator with minimal ties to any one locality, and with the ability to quickly close up shop, change identity, and re-open at another location.

The typical scam involves a promise to the consumer that (s)he has won a fabulous prize, usually including a new car, and all that is necessary to get the new car (or other fabulous prize) is that the consumer agree to purchase products (frequently vitamins or skin care products) for a high price, usually in the \$500 to \$750 range. The seller utilizes high pressure tactics

Post-It™ brand fax transmittal memo 7671		# of pages	6
To	<i>Judith</i>	From	<i>Jim Forbes</i>
Co.	<i>State of Alaska</i>	Co.	<i>State of Alaska</i>
Dept.		Phone #	<i>269 5206</i>
Fax #		Fax #	

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DEPT. OF LAW ANALYSIS

Honorable Ron Larson

January 29, 1993
Page 2

designed to force the consumer to make a quick decision to agree to the purchase, lest the opportunity to win the fabulous prize be lost. The consumer is usually required to make payment on the spot, either by authorizing a credit card charge over the telephone or, more recently, by writing out a check which is picked up within minutes by a courier, such as Federal Express, dispatched by the telemarketer. The consumer is promised that (s)he will receive the valuable prize after several weeks. By the time the consumer realizes that the prize is not forthcoming, the telemarketer has frequently moved on to a new location, with a new identity.

State investigators have observed that the victims of these scams are frequently elderly, and once they agree to a sale by one telemarketer, they become the target of numerous telemarketers because their names are added to a "suckers list" which is sold for substantial sums of money to other telemarketers.

Remedy proposed by bill: Section 1 of the bill attacks the above-described problem in three important ways:

(1) It requires registration of telemarketers, including detailed information about exactly who they are, their histories, and the physical location from which they are operating;

(2) It mandates a "cooling off period" by prohibiting the telemarketer from taking the customer's money until the agreement is reduced to a written contract; and

(3) It provides criminal penalties for violators.

The registration and identification requirements will allow the state to pinpoint the individuals who are operating high pressure telephonic sales, and determine whether they have prior criminal histories or significant other past problems dealing with sales fraud, making closer scrutiny appropriate. The state currently has no effective means of forcing individuals, who conduct sales by telephonic means across state lines, to identify themselves. Businesses operating within Alaska are required to obtain a state business license, but interstate telemarketers routinely fail to comply with this requirement -- and they are the operators the state has the most need to supervise.

The written contract requirement will put an end to the "high pressure" tactic which is so successful in separating consumers from their money when the promise of a valuable prize is involved. Consumers who have acquiesced to high pressure sales techniques frequently wish to cancel the sale after they have had time to calmly reflect on the transaction. But when they have already authorized a credit card sale by telephone, or a courier

Honorable Ron Larson

January 29, 1993
Page 3

has already picked up their payment, revocation of the sale is not always possible. The written contract requirement will put high pressure telemarketers on more of an equal footing with local, established merchants who are, on a day-to-day basis, accountable to their customers after the sale.

Criminal penalties at the felony level are necessary if the regulations are to be taken seriously by the telemarketers. In our experience, and in discussions with our counterparts in other states, we find that fraudulent telemarketing operators build the cost of defending civil suits into their profit structures, and are not the least bit deterred by the threat of civil litigation by state attorneys general. Misdemeanor penalties would not be adequate because they do not permit extradition, and fraudulent telemarketing operators virtually always work across state lines. Elevating the penalty to the felony level is, therefore, necessary in order to provide a credible deterrent to those who are otherwise disposed to violate the law. Considering the degree of theft we have observed in this area, and the vulnerability of many of the victims, felony treatment is appropriate to the offense.

Exemptions: This bill is noteworthy for the types of transactions not covered. The bill provides a total of 16 exempt categories. These categories exempt sales operations which we have not perceived as presenting a fraud problem. Most legitimate enterprises are exempt by the express language of the bill, but those legitimate sellers that are not exempt will have no difficulty complying with the requirements of the bill.

Section II: Regulation of Charitable Solicitations

Purpose: Alaska is one of the few states without some form of charitable solicitation regulation. Investigators for the Fair Business Practices Section have uncovered numerous recent examples of scam artists collecting money from the public by posing as charitable organizations. We believe this problem to be doubly pernicious because these scam artists divert the limited amount of money available for charitable giving from legitimate charities to their own pockets; and they poison the atmosphere for charitable giving by making members of the public cynical about donating money to charity. We believe that this bill will adequately address those problems.

Operation of the Section: Section II of the bill requires all non-exempt organizations to file a registration document with the Attorney General. In the case of a paid solicitor (an organization under contract with a charitable organization to raise money) a bond must also be filed. Organizations are required to re-register each year in September.

Honorable Ron Larson

January 29, 1993

Page 4

The registration statement will be on a form provided by the Attorney general, in accordance with regulations to be adopted under the bill. There will be no registration fee.

The bill requires that paid solicitors enter into a written contract with the charitable organization on whose behalf the solicitations are made. The contract must clearly spell out the respective obligations of the parties, including the method for calculating the compensation of the paid solicitor. A copy of that contract must be filed with the Attorney General.

Disclosures: Paid solicitors are required by the bill to disclose identifying information to the person solicited so that (s)he will have a clear picture of who it is that is calling, who it is that they represent, and what charitable purpose is served by the organization. Upon request, a paid solicitor is required to provide a financial statement of the charitable organization and the terms of the contract under which the solicitor is paid.

Mail and Broadcast Solicitations: Paid solicitors who raise money by means of mail, radio, or television are required by the bill to send the donor written confirmation of any pledge that is received, including disclosure of the identity of the person making the solicitation, the charitable organization on whose behalf the solicitation is being made, and the purpose for which the funds will be used.

Unlawful Practices: The bill prohibits the use of any deceptive statements in the course of a solicitation. State investigators have discovered that, particularly in the case of telephonic solicitations by proxy or "sound alike" charities, deceptive or false information is frequently disseminated.

Records: The bill provides that the registration statements, written contracts, and other documents filed with the Attorney General are public records. Charitable organizations are also required to maintain their records for a period of three years in a form that permits them to be audited.

Enforcement and Penalties: Violations of this law can be enforced privately by either the charitable organization which sustains damages as a result of another organization or solicitor's violation of the section, or by a person who makes a charitable contribution to a solicitor who violates the law. It can also be enforced by the Attorney General. The bill provides a powerful private remedy in that it permits the court to: issue an injunction against further violations; award damages for the violation; and require the violator to pay 100% of the attorney's fees and costs incurred by the aggrieved party. In the case of a

Honorable Ron Larson

January 29, 1993
Page 5

willful violation, treble damages can be awarded under the Consumer Protection Act. The bill also provides a criminal misdemeanor penalty for nonexempt persons or organizations who fail to file the necessary registration papers.

Exemptions: The following are exempt from registration under this bill: church or religious organizations; political candidates; organizations that do not raise more than \$5,000 in contributions in a given year; and charitable gaming operators licensed under AS 05.15.100. The term "paid solicitor" under the bill does not apply to an individual who counsels a person or institution on whether to make a contribution, nor does it include a salaried officer, employee, or volunteer of a charitable organization.

Regulations: The bill gives the Department of Law authority to adopt regulations to implement it.

Section III: Relation to Consumer Protection Law

Violation of either Section I or Section II of this bill would constitute a violation of the Consumer Protection Act, AS 45.50.471(b). Under this section, both the Attorney General and private individuals would have authority to enforce provisions of the law with the mechanisms available under the Consumer Protection Act. These mechanisms include injunctive relief, and treble damages in the case of a "willful" violation.

Section IV: Full Costs and Attorney's Fees

By providing that litigation under Section II of the bill could result in an award of full costs and attorney's fees, the bill conflicts with Civil Rules 79 and 82. Section 4 of the bill resolves the conflict by specifically providing that Rules 79 and 82 be amended to the extent provided in the bill. Section 4 requires, therefore, passage by a two-third vote of the Legislature.

Conclusion

Section I of the bill dealing with telemarketing is largely patterned after existing statutes in Oregon and Florida. The Oregon and Florida laws have reportedly been helpful in deterring telemarketing fraud. In fact, we believe that the current increase in telemarketing fraud in Alaska may be the result, at least in part, of the successful implementation of regulations in other states. Telemarketers who find inhospitable conditions in other states due to effective legislation are probably turning their attention to states like Alaska which do not

Honorable Ron Larson

January 29, 1993
Page 6

have similar legislation. Law enforcement officers in other states who have executed search warrants on telemarketer "boiler rooms" report that they have seen signs on the walls reminding the sales agents not to make solicitation calls in certain states, due to the anticipated level of law enforcement.

We believe that Section I of the bill strikes the appropriate balance between legitimate sales operations and society's need to regulate illegitimate scam operations. We believe that Section I of the bill does so without interfering unduly in legitimate sales operations.

Section II of the bill is largely patterned after the Michigan charitable solicitation statute, with certain provisions borrowed from California and Hawaii. We believe that Section II strikes the appropriate balance between noninterference with legitimate charitable organizations' fund raising efforts and society's need to deal with scam artists who steal money that otherwise might be donated to legitimate charities. We anticipate that legitimate charitable organizations will support this bill.

JF:bev

cc: Attorney General Charlie Cole
Deputy Attorney General Bruce Botelho
Regulations Attorney Deborah Behr
Legislative Liaison Kris Lethin

National Society of Fund Raising Executives

Alaska Chapter
P.O. Box 230611
Anchorage, AK 99523-0611

VIA FAX

February 25, 1993

The Honorable Ron Larson
House of Representatives
State of Alaska
Juneau, Alaska

Dear Representative Larson:

The Alaska Chapter of the National Society of Fund Raising Executives is supportive of your efforts at curbing abuses in charitable solicitation in Alaska. Thank you for your sponsorship of HB #113.

Fraudulent charitable solicitation obviously hurts those individuals who unknowingly contribute to non-existent causes, but there is also a heavy impact on legitimate Alaska charities. To the extent that these scams are successful, they harm non-profits in two ways.

First, they take away monies which may very well have been contributed to real Alaska non-profits. Those funds are no longer available, obviously, to help the myriad Alaska non-profit organizations helping make this a better state in which to live.

The second impact is that, rightly or wrongly, fraudulent solicitation places a cloud of suspicion on all charitable solicitation, legitimate or otherwise. While the vast majority of Alaska's non-profits provide identified, needed services in a very efficient manner, they are able to do so only because of generous charitable support from citizens throughout the state. Yet in many cases these scams only serve to reinforce the all-too-common generalization that all fund raising is somehow tainted, and we do believe there is a direct impact on contributions as a result.

The National Society of Fund Raising Executives Alaska Chapter is one of several hundred NSFRE chapters nationwide. Nationally there are over 13,000 members; we have 32 in the Alaska Chapter, representing non-profits from Juneau, Fairbanks and Anchorage.

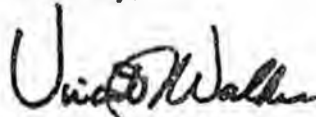
LETTERS OF SUPPORT

The Honorable Ron Larson
February 25, 1993
Page 2

At our monthly luncheon meeting on February 24, we had the pleasure of listening to Assistant Attorney General Jim Forbes explain the background and specifics of HB #113. During that meeting the membership formally agreed to work with you in support of the bill.

Please let me know what additional help you may need. I would be happy to testify in person on behalf of HB #113, representing the many fund raising professionals in Alaska who feel this bill is necessary.

Sincerely,



Vincent J. Walker
Alaska Chapter President

President,
Providence Health Care
Foundation

vjw/ab

**AMERICAN
CANCER
SOCIETY**

ALASKA DIVISION, INC.

Nels Anderson, M.D.
President

Jan Young, R.N.
Chairman of the Board

Roland Gower, M.D.
Chairman, Executive Committee

Barbara Kenney
Secretary

Brent Ulmer
Treasurer

Diana Kuhns
Executive Vice President

March 12, 1993

Representative Ron Larson
State Capitol
Juneau, AK 99801-1182

Dear Representative Larson,

The American Cancer Society, Alaska Division Public Issues Committee met on February 6, 1993, and reviewed your House Bill 113 regulating telephonic and charitable solicitations. The Committee recommended to the Division Board of Directors our organization support of the bill --- unanimous passage.

This bill is well drafted to be able to help eliminate look-alikes or sound-alike organizations and to regulate charity organizations that do not meet established standards. Alaskans have experienced too many fly-by-night charity promoters who have taken advantage of our good will and generosity, and then disappear with the take.

We are pleased that you have taken this legislation on as a priority. The American Cancer Society, Alaska Division, Inc. supports your endeavor. Thank you.

Sincerely,



Diana Kuhns
Executive Vice President

cc: Don Rogers, MD, Public Issues Chair



ALASKA DIVISION, INC.

Nels Anderson, M.D.
President

Jan Young, R.N.
Chairman of the Board

Roland Gower, M.D.
Chairman, Executive Committee

Barbara Kenney
Secretary

Brent Ulmer
Treasurer

March 1993

Diana Kuhns
Executive Vice President

House of Representatives
Attn: Ron Larson
State Capitol, Room #502
Juneau, Alaska 99801-1182

Dear Representative Larson,

This letter is to inform you that on February 7, 1993, the Board of Directors of the American Cancer Society voted, with unanimous approval, to fully support House Bill #113.

Sincerely,

A handwritten signature in cursive script, appearing to read "Nels Anderson".

Nels Anderson, M.D.
President
American Cancer Society,
Alaska Division, Inc.

12 APR 93

4213

Dear Rep Larson,

Thank you for your efforts on helping to protect
our citizens from dishonest telephone solicitors.

Some of our older people many times fall prey to

these solicitors when they are trying to ~~stretch~~ ^{stretch their}

dollars.

Again Thank You

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