

How to Detect Disaster-Relief Scams

Social media, crowdfunding are popular for fraud after disasters like Hurricane Harvey



A condominium complex in Rockport, Texas, after Hurricane Harvey struck. Photo: Rick Wilking/Reuters

By Veronica Dagher
Aug. 31, 2017

Thomas Blaney, treasurer of the Breezy Point Disaster Relief Fund, has seen both the good and the bad that can follow a disaster such as Hurricane Harvey.

Mr. Blaney, who lost his Breezy Point, N.Y., vacation home in superstorm Sandy in 2012, helped establish the fund to assist victims whose primary homes were destroyed by the storm. The fund has distributed more than \$2 million to residents in need and raised funds for community projects.

But, Mr. Blaney says, the fund was also the target of a scam that preyed on people's desire to help Sandy victims. After an acquaintance said he had made a \$500 online donation to the fund, Mr. Blaney checked the fund's online donation account but found no record of it. An online search led him to another like-sounding entity called the Breezy Point Fund, complete with pictures of the demolished neighborhood and a donation link.

Turns out, the site was run by scammers based in Florida, and the acquaintance had inadvertently made his donation on that site. Mr. Blaney reported the scam to the New York state attorney general and the site was shut down soon after, he says.

Philanthropy experts say Mr. Blaney's experience is fairly common. Scammers will often strike in the immediate aftermath of a disaster to seize on the charitable outpouring, they say, so would-be donors should do due diligence before giving to charity.

Scam watch

Social media has emerged as some of the most fertile ground for scammers, says Daniel Borochoff, president of [CharityWatch](#), an organization that monitors nonprofit groups. Fake Facebook pages dedicated to a cause or blogs and websites that purport to tell the story of a suffering victim are among the most common.

One of the newest venues for charitable scams: crowdfunding campaigns.

With these campaigns, people go through crowdfunding sites to create their own pages to raise money for personal causes and big bills like medical costs.

But unlike public charities that are required to disclose their finances annually with the Internal Revenue Service, someone who runs a crowdfunding campaign isn't required to disclose how they use the raised funds, says Mr. Borochoff.

As a result, don't assume that a site or post about a suffering family is legitimate, he says. Mr. Borochoff says to give only to individuals who you know are in real need.

And even if they are victims of a disaster like Hurricane Harvey, they may have already raised plenty of support or may be entitled to insurance money or victims' compensation funds and are just trying to get more than they might really need, he says.

Instead, Mr. Borochoff says, it is best to give through a well-run nonprofit organization whose caseworkers can determine if an individual is a bona fide disaster victim who needs aid.

Check out the charity

While technology can be used by bad actors, it can also be used to decipher which charities are legitimate or not.

Search on websites such as [Charity Navigator](#), [GuideStar](#) and the Better Business Bureau's [Wise Giving Alliance](#) to find out how long the charity has been in existence and learn about its programs. (Each site has already created a list of charities that are helping with the Hurricane Harvey relief effort.)

Donors can also go to the IRS website [to see if a charity is registered](#). An organization that has been approved by the IRS as a tax-exempt charity won't have dot-com or dot-biz domain address; it will only have a dot-org domain.

Another factor to check out: whether a charity has a record of success in a disaster-affected region.

Deborah Segal, vice president of Fidelity Charitable, a donor-advised fund that was founded by mutual-fund company Fidelity Investments, says donors can look at an organization's website or contact the organization's staff for information about its work in a disaster zone. For example, she says, the American Red Cross has local chapters in Texas and has experience providing shelter and food to disaster victims.

Immediate support may be better implemented by national or international organizations able to assemble resources from unaffected areas, she says. The majority of national organizations work with local charities and can ensure that your contributions are supporting those that best know an affected community, she says.

However, if a local charity has checked out as legitimate and is still functional after a disaster, donors should feel comfortable giving directly to them, Ms. Segal says.

Ms. Dagher is a reporter for The Wall Street Journal in New York. Email her at veronica.dagher@wsj.com