

**Letitia James**

New York State Attorney General

# **Attorney General James Shuts Down Fundraising Operation That Solicited Donations on Behalf of Sham Charities**

## **September 16, 2020**

*Agreement Bans Fundraisers from Charity Fundraising, Protects Donors, Transfers Surrendered Funds to Legitimate Charities*

NEW YORK – New York Attorney General Letitia James today [announced a multi-agency agreement permanently banning a fundraising network from charitable fundraising](#). The defendants include Outreach Calling Inc., Outsource 3000 Inc., and Production Consulting Corp., three companies spearheaded by Mark Gelvan, as well as his associates Thomas Berkenbush, William English, and Damian Muziani.

The defendants were the [center of a nationwide fraudulent scheme targeted by the Attorney General's Operation Bottomfeeder](#). They were primary fundraisers for a number of sham charities that have been the subject of prior Operation Bottomfeeder actions. Some of the charities were also subjects of actions by other law enforcement agencies. These charities claimed to use consumers' donations to help homeless veterans, retired and disabled law enforcement officers, breast cancer survivors, and others in need. However, the organizations spent almost none of the donations on the promised activities. In fact, as much as 90 percent of the money raised by the operation went to the defendants themselves as payment for their fundraising services.

“It is critically important that donors are able to trust that their contributions are being used as they intended, and not to line the pockets of individuals who exploit the generosity of others,” said **Attorney General James**. “My office will continue to work with partners such as the FTC and other states to protect donors and legitimate charitable entities.”

Today's settlement, reached in collaboration with the Federal Trade Commission (FTC) and the attorneys general of Minnesota, New Jersey, and Virginia will permanently prohibit the defendants from participating in any charity fundraising and from deceiving consumers in any other fundraising effort, including for political action committees (PACs). In addition, the defendants will be subject to significant monetary judgements and required to surrender assets. All funds surrendered will be paid to the state of New York, which will contribute the funds to legitimate charities that perform services that mirror those promised by the sham charities. The settlement orders are subject to approval by Judge Mary Kay Vyskocil of the U.S. District Court for the Southern District of New York.

“This action puts fundraisers on notice: The FTC will not only shut down sham charities, it will aggressively pursue their fundraisers who participate in the deception,” said **Andrew Smith, director, Bureau of Consumer Protection of the FTC**. “If you’re giving to charity and want to make sure your donations count, start at [ftc.gov/charity](https://www.ftc.gov/charity) to learn how to spot the scams.”

The Office of Attorney General will continue to monitor the general fundraising activities of the defendants. As part of the agreement, Gelvan is required to submit annual reports to New York detailing all entities by which he conducts any type of fundraising and a list of entities on whose behalf he fundraises.

The matter is being handled by Enforcement Section Co-Chief Yael Fuchs, Assistant Attorneys General Peggy Farber, Sharon Sash, and William Wang of the Charities Bureau, under the supervision of Bureau Chief James G. Sheehan. Former Assistant Attorney General Elizabeth Fitzwater, Chief Accountant Judith Welsh-Liebross, former Associate Accountant Cintia Brown-Felder, Associate Accountant Shalendra Ramadhin, Legal Assistant Jacqueline Sanchez, Fundraising Registration Analyst Siobhan Blank, and Fundraising Registration Administrative Assistant Jodi Perez also assisted in this matter. The Charities Bureau is part of the Division of Social Justice, led by Chief Deputy Attorney General Meghan Faux, and all under the oversight of First Deputy Attorney General Jennifer Levy.