

The Center For Consumer Freedom®

September 27, 2011

California Attorney General
Registrar of Charitable Trusts
P.O. Box 944255
Sacramento, CA 94244-2550

Dear Registrar:

I am writing to follow up on a complaint that your office received on or about May 3, 2011 from the State Humane Association of California (SHAC). It is my belief that any investigation of SHAC's allegations of unfair and deceptive fundraising by the American Society for the Prevention of Cruelty to Animals (ASPCA) should also include the Humane Society of the United States (HSUS).

SHAC's complaints against the ASPCA wholly apply to HSUS. To wit:

- Many are familiar with HSUS TV commercials showing tear-jerking images of cats and dogs, but HSUS does not declare in these ads that it is not affiliated with humane societies in California localities.
- HSUS does not declare in its commercials that it gives less than one percent of its budget to pet shelter organizations, according to an analysis of its tax returns, and does not run a single shelter for abandoned dogs and cats—anywhere.
- HSUS received \$101.6 million in revenue in 2009, yet made grants totaling only about \$134,000 to organizations in California, or less than one-seventh of one percent (0.13%) of HSUS's budget. (This is more egregious than the 0.3% of the ASPCA's budget that goes to California.)

A watchdog website that my organization manages, HumaneWatch.org, receives unsolicited comments daily showing shock at the actions of HSUS. Many times, we have received comments from HSUS donors themselves, who had no idea that their gifts to HSUS were not going where they thought they were going.

According to recent national polling performed by Opinion Research Corporation (which does polling for CNN), 71 percent of Americans mistakenly believe that HSUS is an umbrella group for pet shelters.

In fact, HSUS's fundraising literature exacerbates the misconception that HSUS is a pet-shelter group. Some quotes from recent HSUS fundraising letters include:

"[T]he only way we can make these critical life-saving programs work and help save the lives of puppies and kittens in peril is with the continued support of our very best members such as you."

"How can we save these innocent puppies and kittens and find them good, loving homes?"

"HSUS will ... use [your gift] where it is most urgently needed and can do the most good for the animals."

Copies of the letters are attached for your review. HSUS promises to "urgently" put donations to use caring for animals, but this is also misleading considering its excessive fundraising-related costs (totaling \$41.5 million in 2009, or one-third of its budget, according to the joint costs declared on its tax return) and the \$66 million HSUS has parked in hedge funds (according to its audited financial statements).

In 2009, then Attorney General Jerry Brown aggressively pursued complaints against charity scams that acted deceptively. While HSUS does not explicitly "promise" that the money it raises will go to shelters, its fundraising tactics exacerbate and utilize popularly held misconceptions. This ultimately takes money out of California and away from local pet-sheltering charities.

HSUS should be investigated immediately. Future HSUS ads should provide proper and necessary disclosures for donors, and HSUS should be required to remedy any past deceptive fundraising in California.

Sincerely,

Rick Berman
Executive Director

enclosure