

AG Jeff Landry Settles Claims Against Cancer Charities That Bilked Donors Over \$75 Million
Two Sham Charities Dissolved and Leader Banned from Working for Non-Profits

BATON ROUGE, LA – Attorney General Jeff Landry, along with the Federal Trade Commission (FTC) and agencies from the other 49 states and the District of Columbia, has obtained a permanent injunction to dissolve two nationwide sham cancer charities and ban their president from profiting from any charity fundraising in the future.

Cancer Fund of America Inc. (CFA), Cancer Support Services Inc. (CSS), and their leader James Reynolds Sr. agreed to settle charges that CFA and CSS claimed to help cancer patients but instead spent the overwhelming majority of donations on their operators, families and friends, and fundraisers.

“Like many Louisiana families, cancer has impacted my friends and relatives. And to know that con artists and fake charities were using the struggle of cancer patients to line their pockets is beyond disgraceful,” said Attorney General Jeff Landry. “I am proud to have stood together with leaders from across the country to shut down these sham charities and their abhorrent lies. My office and I will continue to do all that we can to end charity fraud.”

The settlement announced today concludes the largest joint enforcement action ever undertaken by the FTC and state charity regulators. Under the settlement order, CFA and CSS will be permanently closed and their assets liquidated. Reynolds is banned from profiting on charity fundraising and nonprofit work and from serving as a charity’s director or trustee or otherwise managing charitable assets. He is also prohibited from making misrepresentations about goods or service, and violating the FTC’s Telemarketing Sales Rule and state laws.

The settlement order imposes a judgment against CFA, CSS, and Reynolds, jointly and severally, of \$75,825,653, the amount consumers donated to CFA and CSS between 2008 and 2012. The judgment against CFA and CSS will be partially satisfied via liquidation of their assets. The judgment against Reynolds will be suspended upon surrender of certain artwork, two pistols, and sale of a pontoon boat. The full judgment will become due immediately if he is found to have misrepresented his financial condition.

The other defendants in the case were CFA’s and CSS’s chief financial officer and CSS’s former president, Kyle Effler; Children’s Cancer Fund of America Inc. (CCFOA) and its president and executive director, Rose Perkins; and The Breast Cancer Society Inc. (BCS) and its executive director and former president, James Reynolds II. Under settlement orders – Effler, Perkins, and Reynolds II were banned from fundraising, charity management, and oversight of charitable assets, and CCFOA and BCS are in receivership and will be dissolved after their assets are liquidated.

“The FTC and our state enforcement partners have ended a pernicious charity fraud that syphoned hundreds of millions of dollars away from well-meaning consumers, legitimate charities, and people with cancer who needed the services the defendants falsely promised,” said Jessica Rich, Director of the FTC’s Bureau of Consumer Protection. “Today’s settlement, along with those announced earlier, shut down the sham charities once and for all and banned the individual perpetrators for life.”

#