

North Carolina Department of the Secretary of State

NEWS

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Elaine F. Marshall
Secretary of State

Secretary Marshall Announces Settlement with PayPal Charitable Giving Fund, Inc. to Help Charitable Donors Make Informed Giving Decisions

RALEIGH – NC Secretary of State Elaine Marshall today joined law enforcement partners from 21 other states and the District of Columbia in announcing an agreement with PayPal Charitable Giving Fund, Inc. to assure that donors have the information they need when making charitable contributions through the company’s online fundraising platform.

PayPal Charitable Giving Fund, Inc. (PPGF) is PayPal’s charitable arm. Donors can make contributions through PPGF’s website and select specific charities that will ultimately benefit from their contributions. Donors’ contributions are aggregated and distributed to their chosen charities. While PPGF doesn’t collect fees from donors or charities for this service, charities receive contributions more quickly if they maintain accounts with PPGF, a fact that was not adequately disclosed to donors. In some instances, PPGF redirected contributions from selected charities to similar charities without informing donors.

“This agreement is a win for the giving public and for charities,” Secretary Marshall said Tuesday. “It is absolutely vital that we be able to make informed choices with our charitable dollars and have confidence that our generosity isn’t being redirected without our knowledge.”

Charities regulators nationwide joined the effort to investigate PPGF’s fundraising activities, including its disclosures, vetting practices, and treatment of charitable contributions.

To address regulators’ concerns, PPGF adopted reforms to its disclosures to ensure that donors know:

- that they are making a contribution to PPGF;
- how long it may take for the charity they select to receive funds from PPGF;
- the implication of a charity not having an account with PPGF.

PPGF also agreed to notify donors if it redirects their contribution to a different charity. PPGF will provide regulators with future campaign data to ensure the organization is complying with its obligations under the agreement.

PPGF also has agreed to make a payment of \$200,000 to the National Association of Attorneys General to go to the NAAG Charities Enforcement and Training Fund to defray costs associated with the investigation and litigation of cases brought by state charities regulators, and provide training and education to those regulators.