North Carolina Department of the Secretary of State

NEWS

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For Immediate Release
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Elaine F. Marshall
Secretary of State

Secretary of State Marshall and Attorney General Jackson Shut Down Fraudulent Cancer Charity Operator

RALEIGH – Attorney General Jeff Jackson and Secretary of State Elaine Marshall reached an agreement shutting down a scam charity operation by Kars-R-Us.com and its operators. The company claimed that it was raising funds for women with breast cancer, but only $126,815 out of the $45 million it raised went to cancer support.

"People gave their cars to this company because they wanted to help save the lives of women facing breast cancer," said Attorney General Jeff Jackon. *"Secretary of State Marshall and I took them to court because you can't lie to people about where their money or donations are going. I am grateful for her partnership to protect North Carolinians."*

"A charitable donation is an investment in a cause you care about – it's an investment in a better future," said Secretary of State Elaine Marshall. *"When North Carolina's giving public is misled, people in need suffer and consumers can lose confidence in giving to the many great charities working so hard every day to help those in need. So, I was honored to stand with AG Jackson, the FTC, and state charities regulators and Attorneys General across the nation in securing this settlement."*

Kars and its operators, Michael Irwin and Lisa Frank, ran national TV, local TV, radio, and online ads in English and Spanish that claimed that any vehicles donated to the group would be on behalf of the United Breast Cancer Foundation, which claimed to provide free and low-cost breast cancer screenings. More than 84,000 people donated their cars to Kars. Instead of the $45 million going to cancer screenings, nearly $35 million went to Kars, its operators, and its vendors.

The North Carolina Department of Justice and the Secretary of State sued Kars, and as a result, won a settlement that will:

- Require Kars to substantiate any claims it makes about fundraising and not make deceptive claims.
- Ban Michael Irwin from fundraising again.
- Ban Lisa Frank, who is Kars' current president and sole owner, from making false fundraising claims.

The defendants also have a suspended judgment of nearly $4 million, which they will be required to pay if they are found to have lied to the FTC and state partners about their financial status. Attorney General Jackson and Secretary of State Marshall were joined in this judgment by the Federal Trade Commission and the Attorneys General of Arkansas, California, Colorado,

Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, New York, Oklahoma, Oregon, Utah, Virginia, West Virginia, and Wisconsin as well as the secretaries of state of Maryland and South Carolina, and the Utah Division of Consumer Protection.
A copy of the judgment is available here.

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