

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

FEDERAL TRADE COMMISSION AND THE STATES OF CALIFORNIA; FLORIDA; MARYLAND; MASSACHUSETTS; NORTH CAROLINA; OKLAHOMA; OREGON; TEXAS; VIRGINIA; AND WISCONSIN,

Plaintiffs,

v.

CANCER RECOVERY FOUNDATION INTERNATIONAL, INC., a corporation also doing business as WOMEN’S CANCER FUND; and

GREGORY B. ANDERSON, individually and as an officer of Cancer Recovery Foundation International, Inc.,

Defendants.

Case No. _____

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER RELIEF

Plaintiffs, the Federal Trade Commission (“FTC”); the Attorneys General of the states of California, Florida, Maryland, Massachusetts, North Carolina, Oklahoma, Oregon, Texas, Virginia, and Wisconsin; the Secretary of State of Maryland; and the Secretary of State of North Carolina for their Complaint against Cancer Recovery Foundation International, Inc. d/b/a Women’s Cancer Fund (“Women’s Cancer Fund”) and Gregory B. Anderson (collectively “Defendants”) allege:

SUMMARY OF THE CASE

1. For decades, Defendant Gregory Anderson (“Anderson”) has made money operating sham charities that collect millions of dollars from donors but provide little monetary

assistance to cancer survivors and their families, the latest of which is the Women's Cancer Fund.

2. Between 2017 and 2022, Women's Cancer Fund collected more than \$18.25 million from generous donors, promising donors that their "gift [would] go to directly help cancer patients and their families who are in need" to assist them with basic living expenses such as rent, utilities, and food for their children. Those claims were deceptive and misleading.

3. Instead of providing financial support to women with cancer and their families as donors were told, the overwhelming majority of the donations solicited by Women's Cancer Fund benefited the sham charity's president, Defendant Anderson, and the for-profit fundraisers he hired. According to its own regulatory filings and records, between 2017 and 2022, of the \$18.25 million donated to the Women's Cancer Fund only \$194,809 – roughly one percent – was spent directly on helping women with cancer. In contrast, Anderson paid himself over \$775,139 and paid the for-profit fundraisers he worked with over \$15.55 million – 85 percent of the total raised. The remaining amount went to paying for Defendants' overhead expenses.

4. In telemarketing calls to donors across the country, fundraisers hired by Anderson lied to donors by using false and misleading scripts approved by Defendant Anderson. Telemarketing scripts and direct mail solicitations used by the fundraisers and approved by Anderson told donors their contributions were critically important and could "help save lives." Some scripts Anderson approved instructed fundraisers to lie to donors and say that "50% of all money... goes to support women in treatment and recovery overcome their financial difficulties." Pledge letters signed by Anderson promised donors that he would make "sure your gifts are getting to the cancer patients and families."

5. Anderson controlled Women's Cancer Fund. He was solely responsible for

Women's Cancer Fund's finances and had full knowledge that Women's Cancer Fund was spending close to nothing on helping women with cancer, while compensating himself. At Anderson's direction, Women's Cancer Fund lied to tens of thousands of generous donors about the good their charitable contributions would accomplish, effectively preventing millions of dollars from going to legitimate charities that would help women with cancer.

6. Defendants' deceptive conduct violated Section 5 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), section 310.3(b) of the Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310.3(b), and the state statutes regulating charitable solicitations and prohibiting deceptive and unfair trade practices.

7. The FTC brings this action under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, and Section 6 of the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. § 6105 to obtain permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, and other equitable relief for Defendants' acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and Section 310.3(b) of the TSR, 16 C.F.R. Part 310.3(b).

8. This action is also brought, in their representative and official capacities as provided by state law, by the Attorneys General of California, Florida, Maryland, Massachusetts, North Carolina, Oklahoma, Oregon, Texas, Virginia, and Wisconsin (collectively the "Attorneys General"); the Secretary of State of Maryland; and the Secretary of State of North Carolina. The Plaintiffs identified in this paragraph are referred collectively as the "Plaintiff States."

9. The Plaintiff States bring this action pursuant to consumer protection enforcement, business regulation, charitable solicitation, and/or charitable trust enforcement authority conferred on their Attorneys General, Secretary of State, state agencies by state law, or

pursuant to statutory *parens patriae*, or common law authority. These authorities authorize the Plaintiff States to seek temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, contributions, and other equitable relief, to prevent the waste, dissipation, and loss of charitable assets, or to stop ongoing donor deception caused by Defendants' state law violations. These laws also authorize the Plaintiff States to obtain civil penalties, forfeitures, attorneys' fees, expenses, and costs.

10. This action is also brought by the Attorneys General pursuant to Section 6103(a) of the Telemarketing Act, which authorizes Attorneys General to initiate federal district court proceedings and seek to enjoin violations of, and enforce compliance with, the TSR to obtain restitution, and other compensation, and to obtain such further and other relief as the court may deem appropriate to stop Defendants' violations of the TSR. 15 U.S.C. § 6103(a).

JURISDICTION AND VENUE

11. This Court has subject matter jurisdiction over the federal law claims pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b), 6102(c)(1), 6103(a), and 6105(b). This Court has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367.

12. Venue is proper in this district under 28 U.S.C. §§ 1391(b)(1), (b)(2), (b)(3) (c)(1), (c)(2), and (d), and 15 U.S.C. §§ 53(b) and 6103(e).

COMMERCE

13. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44, and corresponding consumer protection enforcement laws of the Plaintiff States

as described in Paragraph 15.

PLAINTIFFS

14. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-59. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces the Telemarketing Act, 15 U.S.C. §§ 6101-6108. Pursuant to the Telemarketing Act, the FTC promulgated and enforces the TSR, 16 C.F.R. Part 310, which prohibits deceptive and abusive telemarketing acts or practices in or affecting commerce.

15. The Attorneys General of the Plaintiff States are the chief legal officers for their respective states and commonwealths. The Secretary of State of Maryland regulates charities and charitable solicitations in its state and is authorized to enforce its state's laws regarding the solicitation of charitable donations. The Secretary of State of North Carolina is the chief regulator of charitable solicitations in its state and is authorized to administer its state's laws regarding the solicitation of charitable donations. The Plaintiff States bring this action pursuant to consumer protection, business regulation, charitable solicitation, and/or charitable trust enforcement authority conferred on them by the following statutes or pursuant to *parens patriae* or common law authority.

STATE	STATUTORY AUTHORITY
California	CAL. BUS. & PROF. CODE §§ 17200 through 17209, and §§ 17510 through 17510.95; CAL. GOV. CODE §§ 12580 through 12599.10
Florida	Chapter 501, Part II, Florida Statutes (2023)
Maryland	MD. CODE ANN., BUS. REG. §§ 6-101 through 6-701 (LexisNexis 2015 and 2022 Suppl.)
Massachusetts	MASS. GEN. LAWS ch. 12 §§ 8 through 8M; ch. 68 §§ 18 through 35
North Carolina	N.C. Gen. Stat. §§ 75-1.1 <i>et seq.</i> ; N.C.G.S. 131F-20 (1), (9), (10), (15), (18); 131F-21; 131F-23, 131F-24
Oklahoma	OKLA. STAT. tit. 18, §§ 552.1 through 552.24
Oregon	OR. REV. STAT. §§128.801 through 128.898, 646.605 through 646.642, 646A.370 through 646A.376, and 180.060(7)

Texas	TEX. BUS. & COM. Code Ann. §§ 17.41–17.63- Texas Deceptive Trade Practices Act
Virginia	VA. CODE ANN. §§ 57-48 through 57-69
Wisconsin	WIS. STAT. §§ 202.11 through 202.18

16. Pursuant to 15 U.S.C. § 6103(a), the Attorneys General are also authorized to initiate federal district court proceedings to enjoin telemarketing activities that violate the TSR, and in each such case, to obtain restitution and other compensation on behalf of their residents, or to obtain such further and other relief as the court may deem appropriate.

DEFENDANTS

17. Cancer Recovery Foundation International, Inc., also doing business as Women’s Cancer Fund, Pink Diamond Women’s Cancer Fund, New Era Cancer Research Fund, and Nutrition as Medicine (collectively “Women’s Cancer Fund”), was located at 6380 Flank Drive, Suite 400, Harrisburg, Pennsylvania, 17112. Articles of Incorporation representing that Women’s Cancer Fund is a non-profit corporation were filed in Delaware in 2009. In July 2022, Women’s Cancer Fund sought to dissolve. It continued to maintain at least one bank account until December 2022. Under Delaware law, corporations “whether they expire by their own limitation or are otherwise dissolved, shall nevertheless be continued, for the term of 3 years from such expiration or dissolution or for such longer period as the Court of Chancery shall in its discretion direct, bodies corporate for the purpose or prosecuting and defending suits, whether civil, criminal or administrative, by or against them.” 8 Del. C. § 278. Women’s Cancer Fund was recognized as tax-exempt by the IRS under Section 501(c)(3) of the Internal Revenue Code.

18. Notwithstanding its corporate form, Women’s Cancer Fund was organized and operated to carry on business for its own profit or that of its members within the meaning of Section 4 of the FTC Act, 15 U.S.C. § 44. At all times material to this Complaint, acting alone

or in concert with others, directly or indirectly, by telemarketing and other means, Women's Cancer Fund made misrepresentations to donors nationwide regarding its purported charitable programs. In connection with the matters alleged herein, Women's Cancer Fund transacts or has transacted business in this District and throughout the United States.

19. Defendant Gregory B. Anderson ("Anderson") is Women Cancer Fund's founder, chairman, and president. At all times material to this Complaint, acting alone or in concert with others, Anderson has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Women's Cancer Fund, including the acts and practices set forth in this Complaint. Among other things, Anderson selected and hired fundraisers; signed fundraising contracts that authorized fundraisers to be paid 85 to 90 percent or more of donations raised; approved deceptive telemarketing scripts and marketing materials; signed off on personalized letters to donors that made deceptive statements; controlled the donated funds and was responsible for monitoring Women's Cancer Fund's accounts; co-mingled Women's Cancer Fund's funds with other organizations he founded and controlled; was the signatory on all bank accounts associated with the Women's Cancer Fund; presided over board meetings, including board meetings where his salary was approved; was responsible for recruiting new board members; reviewed donor-related complaints; and was responsible for overseeing the extraordinarily limited charitable program undertaken by Women's Cancer Fund.

20. Anderson has routinely created and dissolved non-profit organizations. Since at least 2009, he has created and operated at least ten non-profit organizations and related entities that solicited donations from the public for cancer-related causes around the world including but not limited to Cancer Recovery Foundation of Canada; Cancer Recovery Foundation of U.K.; Stiftung Krebsbekaempfung (Germany); Cancer Recovery et Resilience (France); Cancer

Recovery Foundation of America; Children’s Cancer Recovery Foundation; Breast Cancer Charities of America; Cancer Recovery Association; Cancer Recovery Action Network; and CRFI, which also did business as Women’s Cancer Fund. Anderson resides in this District and, in connection with the matters alleged herein, Anderson transacts or has transacted business in this District and throughout the United States.

DEFENDANTS’ BUSINESS ACTIVITIES

21. Between 2017 and 2022, Women’s Cancer Fund contracted with at least three fundraisers, including but not limited to, Associated Community Services, Inc., Directele, Inc., and Front Line Support, LLC, to solicit charitable donations on its behalf, chiefly through telemarketing, throughout the United States. Two of those fundraisers, Associated Community Services, Inc. and Directele, Inc., were sued by the FTC and Attorneys General of numerous states for making deceptive charitable solicitations in 2021, including deceptive representations about Women’s Cancer Fund. *See FTC v. Associated Cmty. Servs., Inc.*, No. 2:21-cv-10174 (E.D. Mich. Jan. 26, 2021) (available at FTC website). After both fundraisers shuttered their operations, Women’s Cancer Fund continued to work with another fundraiser, Front Line Support LLC, and the deceptive claims about Women’s Cancer Fund continued.

22. Women’s Cancer Fund authorized its fundraisers to use telemarketing scripts, direct mailers, and pledge letters (collectively, “solicitation materials”), all approved by Anderson.

23. Women’s Cancer Fund’s solicitation materials stated that Women’s Cancer Fund will spend donors’ money on providing financial assistance to women going through cancer treatment by helping them and their families pay for basic living expenses such as rent, food, and utilities. In numerous instances, the fundraisers assured donors that their donations “will directly

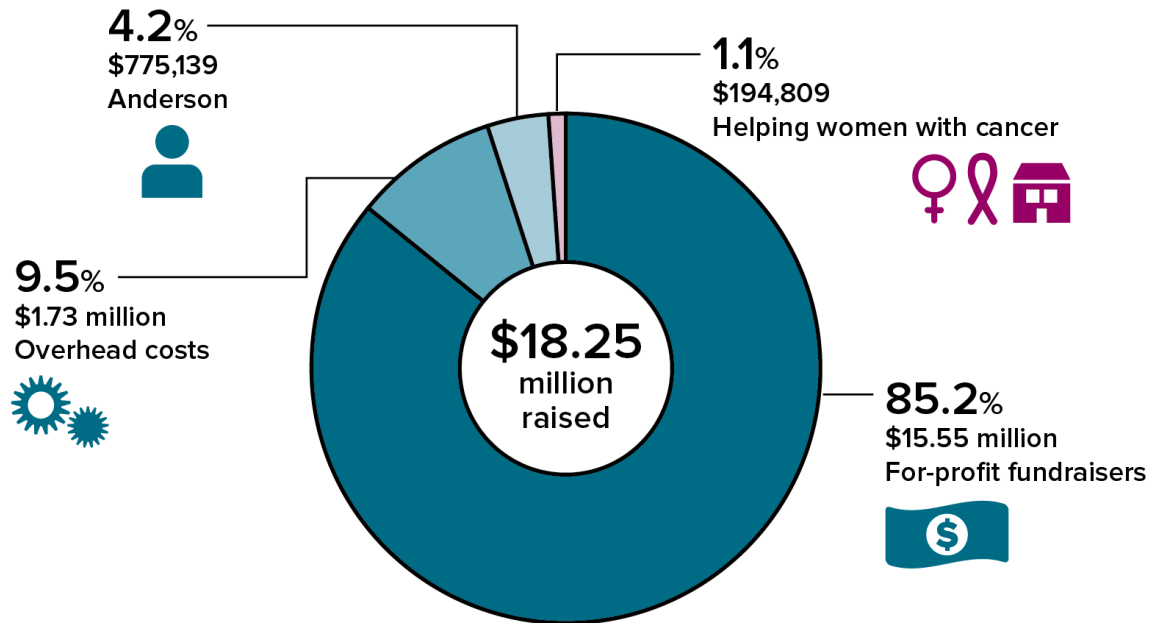
help patients with basic living expenses.” Fundraising letters signed by Anderson and statements made on Women’s Cancer Fund’s website (cancerrecovery.org) echoed that claim, stating that donors’ “support will go directly to patients in need.”

24. As a result of these solicitation materials, tens of thousands of generous donors contributed over \$18.25 million to Women’s Cancer Fund between 2017 and 2022 from several states in which it was registered to solicit contributions, including but not limited to, Plaintiff States of California, Florida, Maryland, Massachusetts, North Carolina, Oklahoma, Oregon, Texas, Virginia, and Wisconsin. Donation amounts typically ranged from \$20 to \$50 per donor.

25. Defendants’ representations were false and misleading. In reality, between 2017 and 2022, Women’s Cancer Fund spent only \$194,809 of the \$18.25 million – roughly one penny of every dollar – on assistance to cancer patients and their families. The remaining amount went to paying for Defendant Anderson’s salary, fundraising, and other overhead costs.

WOMEN’S CANCER FUND (2017 – 2022)

Where did donations go?



26. Women’s Cancer Fund made claims throughout this period about its mission and programs on its website and solicitation materials – all of which were approved by Anderson.

27. In numerous instances, it framed its solicitations with claims about the urgency or importance of making donations to Women’s Cancer Fund. For instance, letters reminding donors to send in their pledged donations and brochures said:

- “[t]he cost of cancer care can be financially devastating. While other organizations rightfully invest millions of dollars in cancer research to find a cure for patients in the future, we help patients keep a roof over their head and the lights on so they can survive cancer today.”
- “...send in your donation today and help ease the burden of women battling with cancer.”

- “I am making sure your gifts are getting to the cancer patients and families that need them the most”; and
- “[w]e need you now more than ever before.”

28. In some instances, telemarketers were instructed to tell reluctant donors: “your donations mean the world to a woman fighting for her life, helping pay basic household bills like rent, water and heat . . . most donors are doing \$25 or \$30 – which one can a woman with cancer count on you for?”

29. Such statements about the urgency and importance of making donations to Women’s Cancer Fund were false and misleading, and amplified and reinforced descriptions of the charity and the specific costs that donors’ contributions would support.

False and Misleading Claims About Providing Financial Assistance to Women with Cancer

30. In nearly all solicitation materials, Women’s Cancer Fund falsely claimed that donations would go to providing financial assistance to women with cancer who struggle with paying for basic living expenses including rent and utility bills. In some instances, Women’s Cancer Fund also falsely claimed that donations would go to help those women feed their children.

31. Telemarketing scripts that fundraisers used between 2019 and 2022 to retain prior donors represented:

[Donor’s name], your kind donations in the past helped women suffering with cancer to pay their bills and feed their children while going through chemo and treatment...

We’re calling again because we have many women on our waiting list needing your help again... can you help a women [sic] with cancer with \$40 or \$50 this time...?

Women’s Cancer Fund Retention Script dated October 2019, Produced by Front Line.

32. In numerous instances, pledge letters signed by Anderson sent to donors represented:

A diagnosis of cancer is devastating. Aside from the physical and emotional toll it takes on the patient, their family, friends and caregivers, the financial strain can be immense. Time away from work and soaring medical expenses only add another hurdle to overcome.

The Women’s Cancer Fund assists women battling cancer by providing financial assistance to those struggling with basic living expenses—like utilities, rent, even home phone bills... Your support will directly help patients with basic living expenses and support patient-focused initiatives.

Women’s Cancer Fund Pledge Letter, Produced by Front Line.

33. Starting in 2020, Women’s Cancer Fund also used the coronavirus (“COVID”) pandemic as an opportunity to appeal to donors to give even more money. Pledge letters claimed that the donations would “go to directly help cancer patients and their families who are in need” and as a result of the COVID pandemic, Women’s Cancer Fund “expanded [its] coverage.” An example of a pledge letter that Women’s Cancer Fund sent donors during the pandemic is shown below:

Dear [NAME],

Please accept my sincere gratitude for your generous pledge to support Women's Cancer Fund. You made the right decision to help. And you can be certain that your gift will go to directly help cancer patients and their families who are in need.

The double-jeopardy of cancer patients in the time of Coronavirus is frightening:

1. Coronavirus attacks cancer patients at a time when they are experiencing comprised immunity, a physical threat.
2. Coronavirus also attacks cancer patients financially, at a time when they are experiencing increased expenses like insurance co-pays, transportation just to get to treatments, plus food, and lodging while there. Add to that medical equipment including walkers, wheelchairs, raised toilet seats, shower benches, and more.

In response, we have changed our guidelines and expanded our coverage. This is where you have pledged to help—with rents, utilities, and increased expenses essential to patients getting well and staying well.

Today, it is no longer business as usual. The coronavirus has resulted in a tripling of applications for assistance to Women's Cancer Fund—a tripling! Our team needs your help like never before.

Helping deserving cancer patients in need is exactly what you are doing. I know that is what you want to do. And I guarantee that is exactly what your gift will do.

I value you as a person. I value your support. I am making sure your gifts are getting to the cancer patients and families that need them most.

Thank you for your generous heart. Please respond today. I appreciate you!



Greg Anderson, Founder & Cancer Survivor

P.S. Please—respond right here, right now. You are helping cancer patients in need keep a roof over their head, the utilities on, and providing them with essential needs and services for recovery. Thank you.

P.P.S. If you are able, could you please add an extra \$10 or \$20 to your pledge? We need you now more than ever before.

Women's Cancer Fund Pledge Letter signed by Greg Anderson, Produced by Front Line.

34. As shown above, the letter, signed by Anderson, claims that the COVID pandemic “has resulted in tripling of application for assistance to Women's Cancer Fund” and promises that “[h]elping deserving cancer patients in need is exactly what you are doing... And I guarantee that is exactly what your gift will do.” Like other solicitation materials, it represents that donations will go to pay “rents, utilities, and increased expenses essential to [cancer] patients...”

35. In reality, Women's Cancer Fund used only a tiny fraction of the millions it collected from donors to help women with cancer pay rent or utility bills during the COVID pandemic.

36. For instance, from 2018 to 2019, donors contributed approximately \$9.7 million.

Of that \$9.7 million, Women's Cancer Fund distributed only \$117,189 among 739 cancer patients. From 2020 to 2021, donors contributed approximately \$1.59 million to Women's Cancer Fund. Of that \$1.59 million, Defendants distributed only \$50,670 among 542 cancer patients.

37. In fact, during the pandemic, Women's Cancer Fund gave the few individual women with cancer it helped less cash assistance than in prior years. The average assistance provided to each cancer patient in 2018 to 2019, the years leading to the pandemic, was roughly \$159. That amount fell to \$93 in 2020 and 2021, in the midst of the COVID pandemic.

38. As demonstrated above, Defendants' representations to donors that their contributions would support women with cancer to pay for their utility bills, rent, and food for their children were deceptive.

Women's Cancer Fund Was a Sham Charity

39. Central to the Women's Cancer Fund's fundraising appeals was the overarching misrepresentation that donor's contributions would support a legitimate charity whose primary purpose was charitable. Women's Cancer Fund made this claim, expressly and by implication, on its website, in its telemarketing calls, and other solicitation materials. Donors were told about the important work that Women's Cancer Fund was doing for women battling cancer and their families, and how essential contributions were to support that mission.

40. The website of Women's Cancer Fund represented that it was a legitimate charity, claiming that "[t]he Women's Cancer Fund, Cancer Recovery Foundation's flagship program provides rent and utility bill assistance to women who are struggling financially due to their battle with cancer," and that Women's Cancer Fund helped women with cancer and their families "keep a roof over their head and the lights on so they can survive cancer today." The

website repeated the mantra in Women’s Cancer Fund’s other solicitation materials, noting below the website’s “Help A Patient Today” button that donor’s “support will go directly to patients in need.”

41. In numerous instances, fundraisers’ responses to frequently asked questions during their telemarketing calls furthered the perception that Women’s Cancer Fund was a legitimate charity that helped women with cancer. Anderson-approved telemarketing scripts included the following information and guidance:

- a. Telemarketers were instructed to answer the frequently asked question, “Who is the client?” as follows:

“Women’s Cancer Fund is a 501(c)(3) charitable organization under the IRS Tax Code and this donation is tax deductible. We work directly with wom[e]n diagnosed with [c]ancer to provide financial aid during treatment and recovery.”
- b. In response to “Is this legitimate?” telemarketers were instructed to say:

“Absolutely – Women’s Cancer Fund is a ful[1]y registered 501c3 not for profit organization [] and if you call the number on your Caller ID you’ll reach the organization...”
- c. In response to “What is the Client[’s] Cause?” telemarketers were instructed to say:

“Women’s Cancer Fund is committed to doing whatever we can to help you – or connect you with an organization or resource that can. In addition to providing financial assistance to women who are struggling with basic living expenses – as a result of their battle with cancer, we help

find answers and provide emotional and spiritual support.”

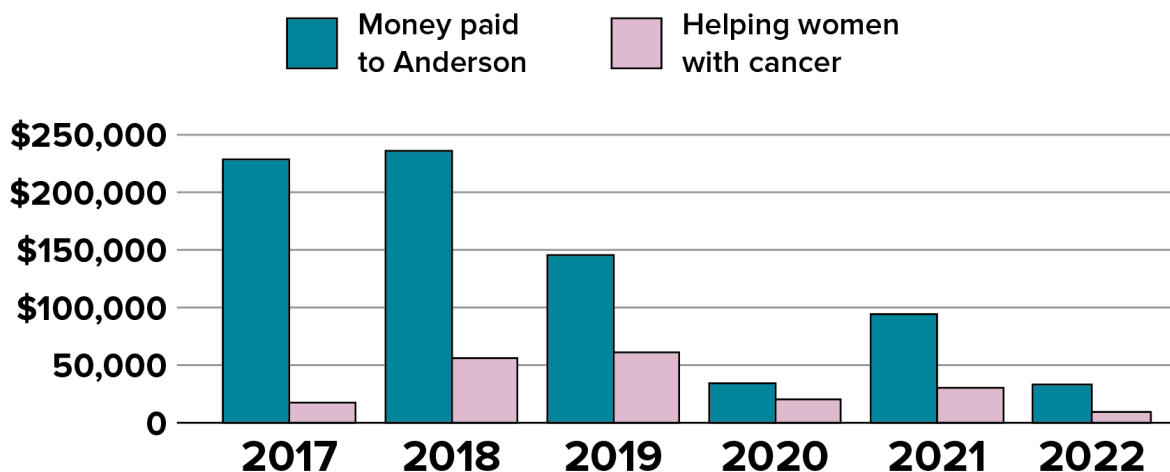
- d. In response to “[Percent] to charity?” telemarketers were instructed to say: “Absolutely – Women’s Cancer fund is a ful[l]y registered 501c3 not for profit organization. Any gift you provide supports women with cancer. Approximat[el]y 50% of all money we raise goes to support women in treatment and recovery overcome their financial difficulties.”

42. In fact, although Women’s Cancer Fund was organized as a non-profit, it did not operate as a legitimate charity whose primary purpose was to further its charitable mission. Instead, it was operated by Anderson primarily to benefit his own financial interest and the financial interests of the for-profit fundraisers he hired. Any charitable spending was incidental to supporting these core private interests.

43. Indeed, Anderson directed Women’s Cancer Fund to pay him a salary that far exceeded the amount it spent helping women with cancer pay for rent, utilities, and food. Between 2017 and 2022, Women’s Cancer Fund spent \$194,809 helping individuals in need, but paid Anderson over \$775,139 in salary and benefits.

WOMEN'S CANCER FUND (2017 – 2022)

Anderson's Salary v. Helping Women with Cancer



44. The Women's Cancer Fund board of directors were all handpicked by Anderson. The board provided little to no oversight of its operations. It simply approved Anderson's choices. For example, the board did not review any contracts between Women's Cancer Fund and its for-profit fundraisers. The board did not review any of the solicitation materials such as the scripts, pledge letters, or brochures that made the deceptive representations. The board allowed Defendant Anderson to enter into contracts agreeing that 85 to 90 percent of all donor funds would be paid directly to the fundraisers.

45. The board also provided little to no oversight of Women's Cancer Fund's extremely limited charitable spending. For instance, the board was not aware of how many cancer patients received assistance from Women's Cancer Fund or how much each individual received.

46. The board did not review Anderson's performance, the hours he worked, his 401(k) plan that was funded with charitable donations, or the expenses that he claimed. For example, the board did not review or vote on Anderson's use of Women's Cancer Fund

donations to pay himself \$6,000 a year to have a home office and for his personal monthly cell phone bill nor did the board review Anderson's use of donated funds to cover expenses at his own for-profit publishing company, Turning Point Communications, LLC. Indeed, CRFI employees performed services on behalf of Turning Point Communications, including fulfilling requests for books and accepting payment for Turning Point Communications – all without any compensation from Turning Point Communications.

47. The board also did not review or set compensation for Anderson prior to 2021. The first time the board established a committee to review and set compensation for Anderson was in January 2021.

48. Instead of exercising independent oversight of Women's Cancer Fund, the board simply rubber-stamped the actions of Anderson. Anderson managed every aspect of Women's Cancer Fund and its operation. He had authority over all the finances and oversaw all aspects of Women's Cancer Fund's fundraising. He recruited telemarketers, provided and approved deceptive telemarketing scripts and other solicitation materials, and managed the Women's Cancer Fund's relationship with its for-profit fundraisers.

49. The board members failed to review contracts that shunted the vast majority of donors' money to for-profit fundraisers; failed to evaluate whether Women's Cancer Fund was serving women with cancer in meaningful ways; and authorized a salary for Anderson far in excess of what Women's Cancer Fund gave to women in need.

50. Under these circumstances, Women's Cancer Fund did not operate primarily to further its charitable mission but instead was a sham designed to profit Anderson at the expense of the women with cancer he professed to benefit. It made false or misleading statements that deceived donors into believing their contributions would support a legitimate charity and be

spent on real programs that fulfilled the charitable mission described to them.

Knowing Misrepresentations

51. Generous donors contributed more than \$18.25 million to Women’s Cancer Fund from 2017 to 2022, believing that their money was going to financially support women battling cancer and their families who struggle with basic living expenses.

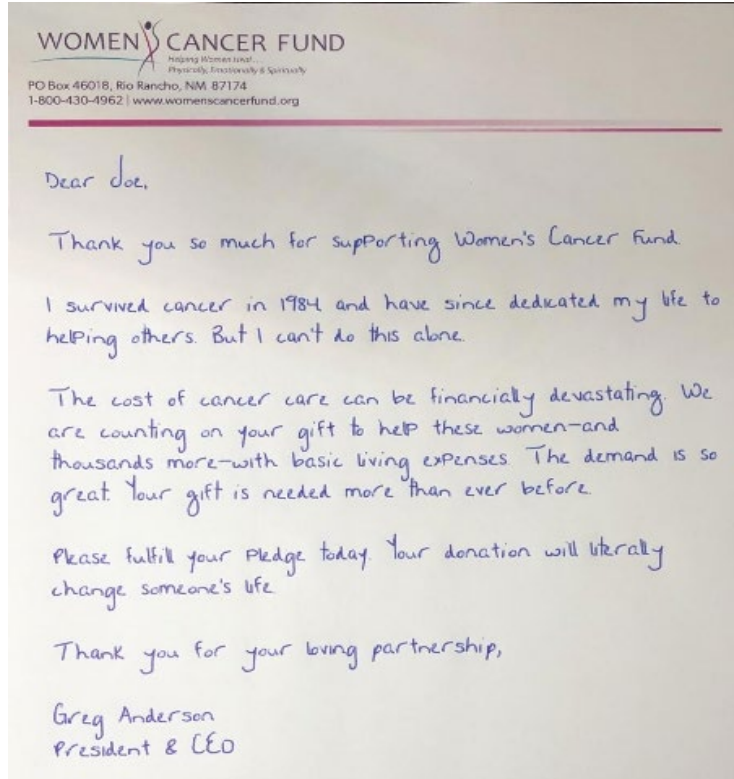
52. Anderson solicited donations from donors despite knowing that only a small percentage of the funds would be spent on financially supporting women battling cancer and their families with basic living expenses.

53. He recruited and negotiated contracts with fundraisers who solicited contributions from donors. In numerous instances, Anderson signed contracts with fundraisers that specifically indicated that the fundraisers would receive 85% to 90% of total funds raised.

54. Anderson approved and authorized fundraisers’ use of the scripts, pledge letters, and mailers with the misrepresentations described in Paragraphs 30 – 38 above.

55. Anderson not only approved deceptive solicitation materials, he was featured in them. For example, in a pledge letter shown above on page 13, Anderson says “[h]elping deserving cancer patients in need is exactly what you are doing. I know that that is what you want to do. And I **guarantee** that is exactly what your gift will do.” (emphasis added).

56. In early 2020, Anderson also sent a handwritten letter to donors that he signed on behalf of Women’s Cancer Fund assuring donors that their donations would directly help thousands of women battling cancer with “basic living expenses,” a copy of which is shown below:



Women's Cancer Fund Thank You Letter signed by Greg Anderson, Produced by Front Line.

57. Anderson also oversaw Women's Cancer Fund's finances and made decisions about how to spend donated funds.

58. Anderson, who entered into contracts with fundraisers and controlled Women's Cancer Fund's finances, knew that only a nominal amount of any donation would be spent on helping any cancer patient with basic living expenses including utilities, rent, and food for their children.

59. In reality, and as Defendants knew, the overwhelming majority of donations were used to benefit Anderson and the fundraisers. Indeed, in a board meeting dated May 6, 2022, when the board discussed whether to dissolve Women's Cancer Fund, "Mr. Anderson noted that if [Women's Cancer Fund] dissolved, it would negatively impact several vendors, Engage/Frontline in particular."

60. The media has exposed other charities that Anderson has run for spending less than one percent on charitable programs. For example, in June 2013 a Florida paper noted in its report on the 50 worst charities that Children's Cancer Recovery Foundation, an organization that Anderson founded and operated, raised \$34.7 million over a ten-year span with \$27.6 million going to the professional fundraisers, and “less than one percent going to direct cash aid.” That same year, Anderson was contacted by at least two other media outlets seeking more information about where the donated funds went.

61. Under these circumstances, Defendants knowingly engaged in deceptive solicitations.

Harm To Donors

62. Generous donors contributed more than \$18.25 million to Women’s Cancer Fund from 2017 through 2022, believing that their money was going to help women with cancer pay for rent, utilities, and food for their children. As discussed above, just about one percent – one penny – of every donated dollar was actually used for such purposes. Under these circumstances, individual donors were deceived, and their charitable contributions wasted.

63. The resulting harm was widespread. Donors were harmed because their charitable intentions were nullified. Because donors’ charitable intentions were nullified, women with cancer, their families and others in need of assistance were harmed because they were deprived of help to pay for their rents, utility bills, and food. Further, bona fide charities were harmed because they were deprived of needed income to support and sustain their charitable goals.

64. The FTC has reason to believe that Defendants are violating or are about to violate laws enforced by the Commission. In January 2021, the FTC and Attorneys General of

numerous states filed a law enforcement action against several for-profit fundraisers. *See FTC v. Associated Comty. Servs., Inc.*, No. 2:21-cv-10174 (E.D. Mich. Jan. 26, 2021). The Complaint alleges that Associated Community Services, Inc. (“ACS”) made misrepresentations while soliciting charitable contributions on behalf of sham charities via telemarketing. The same Complaint names Directele, Inc. (“Directele”), as a separate defendant, and alleges that Directele also made misrepresentations soliciting charitable contributions by placing calls that delivered prerecorded messages on behalf of sham charities. Both telemarketers, separate from each other, identified Women’s Cancer Fund as one of the sham charities for which they solicited donations.

65. Defendants were notified of the lawsuit against both fundraisers as early as February 2021, but knowledge of the lawsuit did not cause them to stop soliciting donations from the public. In fact, in 2022, Women’s Cancer Fund renewed its fundraising contact with a for-profit telemarketer, Front Line Support, LLC, agreeing to provide the telemarketer up to 90% of all funds solicited in some states. In addition, Anderson continued to approve and authorize the fundraiser’s use of scripts, pledge letters, and mailers that made the same deceptive claims to donors for which ACS and Directele were sued.

66. Moreover, upon learning of the FTC’s investigation into them, Anderson appears to have doctored board minutes, altering information he perceived as harmful for his and Women’s Cancer Funds’ defenses. For example, Mr. Anderson’s statement quoted in Paragraph 59 was deleted from the minutes of the May 6, 2022 board meeting that Anderson produced to FTC staff in response to a Civil Investigative Demand.

67. Based on these circumstances, the FTC has reason to believe that Defendants are violating or about to violate laws enforced by the Commission.

VIOLATIONS OF THE FTC ACT

68. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

69. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

COUNT I
Misrepresentations that Contributions Go to Charity
(By the FTC and the Plaintiff States)

70. In numerous instances, in connection with soliciting charitable contributions from donors, Defendants have represented, directly or indirectly, expressly or by implication, that donors’ contributions will go to a legitimate charitable organization whose primary purpose is to assist women battling cancer who struggle with paying for basic living expenses.

71. In truth and in fact, in numerous instances, donors’ contributions have not gone to a legitimate charitable organization whose primary purpose is to assist women battling cancer who struggle with paying for basic living expenses. Instead, donors’ contributions have gone to a corporation controlled by one individual for his personal pecuniary gain and to for-profit telefundors.

72. Therefore, Defendants’ representations as set forth in Paragraph 70 of this Complaint are false or misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

73. The foregoing practices also violate the laws of each Plaintiff State as follows:

STATE	STATUTORY AUTHORITY
California	CAL. BUS. & PROF. CODE §§ 17200 through 17209, and §§ 17510 through 17510.95; CAL. GOV. CODE §§ 12580 through 12599.10
Florida	Chapter 501, Part II, Florida Statutes (2023); and §§ 496.415-416 (2023)
Maryland	MD. CODE ANN., BUS. REG. §§ 6-607, 6-608, 6-610 (LexisNexis 2015)

Massachusetts	MASS. GEN. LAWS ch. 68 §32
North Carolina	N.C. GEN. STAT. §§ 75-1.1 <i>et. seq.</i> ; N.C.G.S. 131F-20 (1), (9), (10), (15), (18); 131F-21
Oklahoma	OKLA. STAT. tit. 18, § 552.14a
Oregon	OR. REV. STAT. §§128.886; 646.608(dd)
Texas	TEX. BUS. & COM. Code Ann. §§ 17.41–17.63- Texas Deceptive Trade Practices Act
Virginia	VA. CODE ANN. § 57-57(L)
Wisconsin	WIS. STAT. § 202.16(1)(a), (d)

COUNT II

Misrepresentations that Contributions were for Specified Charitable Purposes (By the FTC and the Plaintiff States)

74. In numerous instances, in connection with soliciting charitable contributions from donors, Defendants have represented, directly or indirectly, expressly or by implication, that donors' contributions will be used to fund particular charitable programs. Such representations include, but are not limited to, claims that donated funds would be spent helping women with cancer and their families who struggle paying for basic living expenses, including providing:

- a. Financial assistance for utility bills;
- b. Financial assistance for rent; or
- c. Financial assistance for food.

75. In truth and in fact, in numerous instances little or none of the donors' contributions have funded the particular charitable programs described to them, specifically including programs to provide women with cancer and their families who struggle paying for basic living expenses, including:

- a. Financial assistance for utility bills;
- b. Financial assistance for rent; or
- c. Financial assistance for food.

76. Therefore, Defendants' representations as set forth in Paragraph 74 are false or

misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

77. The foregoing practices also violate the laws of each Plaintiff State as follows:

STATE	STATUTORY AUTHORITY
California	CAL. BUS. & PROF. CODE §§ 17200 through 17209, and §§ 17510 through 17510.95; CAL. GOV. CODE §§ 12580 through 12599.10
Florida	Chapter 501, Part II, Florida Statutes (2023); and §§ 496.415-416 (2023)
Maryland	MD. CODE ANN., BUS. REG. §§ 6-606, 607, 6-608 (LexisNexis 2015)
Massachusetts	MASS. GEN. LAWS ch. 68 §32
North Carolina	N.C. GEN. STAT. §§ 75-1.1 <i>et. seq.</i> ; N.C.G.S. 131F-20 (1), (9), (10), (15), (18); 131F-21
Oklahoma	OKLA. STAT. tit. 18, § 552.14a
Oregon	OR. REV. STAT. §§128.886; 646.608(dd)
Texas	TEX. BUS. & COM. Code Ann. §§ 17.41–17.63- Texas Deceptive Trade Practices Act
Virginia	VA. CODE ANN. § 57-57(L)
Wisconsin	WIS. STAT. § 202.16(1)(a), (k)

COUNT III

Means and Instrumentalities of Deception

(By the FTC and the Plaintiff States of North Carolina, Texas, Virginia, and Wisconsin)

78. In numerous instances, in connection with soliciting charitable contributions from donors, Defendants, individually or in concert with others, have provided fundraisers with the means and instrumentalities to deceive donors. The means and instrumentalities that Defendants have provided include, but are not limited to, telemarketing scripts and other Solicitation Materials, such as brochures and letters, that make false or misleading claims about Women's Cancer Fund and its programs.

79. By providing the means and instrumentalities to others for the commission of deceptive acts and practices set forth in paragraph 78, Defendants have violated Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

80. The foregoing practices also violate the laws of each Plaintiff State as follows:

STATE	STATUTORY AUTHORITY
North Carolina	N.C. GEN. STAT. §§ 75-1.1 <i>et. seq.</i> ; N.C.G.S. 131F-20 (1), (9), (10), (15), (18); 131F-21
Texas	TEX. BUS. & COM. Code Ann. §§ 17.41–17.63- Texas Deceptive Trade Practices Act
Virginia	VA. CODE ANN. § 57-57(L)
Wisconsin	WIS. STAT. § 202.16(1)(a)

VIOLATIONS OF THE TELEMARKETING SALES RULE

81. In 1994, Congress directed the FTC to prescribe rules prohibiting abusive and deceptive telemarketing acts or practices pursuant to the Telemarketing Act, 15 U.S.C. §§ 6101-6108. The FTC adopted the original Telemarketing Sales Rule (“TSR”) in 1995, extensively amended it in 2003, and amended certain sections thereafter. 16 C.F.R. Part 310.

82. The Telemarketing Act also authorizes state Attorneys General to initiate federal district court proceedings to enjoin telemarketing activities that violate the TSR, and in each such case, to obtain restitution, and other compensation on behalf of their states’ residents. 15 U.S.C. §6103(a).

83. The TSR defines “charitable contribution” to mean “any donation or gift or money or any other thing of value.” 16 C.F.R. §310.2(h).

84. The TSR defines “donor” to mean “any person solicited to make a charitable contribution.” 16 C.F.R. § 310.2(p).

85. The TSR defines “person” to mean “any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.” 16 C.F.R. § 310.2(y).

86. The TSR defines “telemarketer” to mean “any person who, in connection with telemarketing, initiates or receives telephone call from a customer or donor.” 16 C.F.R. §310.2(ff).

87. The TSR defines “telemarketing” to mean, in pertinent part, “a plan, program, or campaign which is conducted to induce the purchase of goods or services or a charitable contribution, by use of one or more telephones and which involves more than one interstate telephone call.” 16 C.F.R. §310.2(gg).

88. Section 310.3(a)(4) of the TSR prohibits telemarketers from making a false or misleading statement to induce a charitable contribution.

89. Sections 310.3(d)(1), (3), and (4) of the TSR prohibit telemarketers from misrepresenting, directly or by implication: the nature, purpose, or mission of an entity on behalf of which a charitable contribution is being requested; the purpose for which any charitable contribution will be used; or the amount of any charitable contribution that will go to a charitable organization or to any particular charitable program.

90. The TSR prohibits any person from providing substantial assistance or support to any seller or telemarketer when that person knows or consciously avoids knowing that the seller or telemarketer is engaged in any act or practice that violates Sections 310.3(a), (c), or (d), or 310.4 of the TSR. 16 C.F.R. § 310.3(b).

91. Pursuant to Section 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c), and Section 18(d)(3) of the FTC Act, 15 U.S.C. §57a(d)(3), a violation of the TSR constitutes an unfair or deceptive act or practice in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT IV
Assisting and Facilitating Telemarketing Violations
(By the FTC and the Attorneys General of the Plaintiff States)

92. In numerous instances, in connection with soliciting charitable contributions by telephone, Defendants have provided substantial assistance or support to telemarketers while

knowing or consciously avoiding knowing that the telemarketers were engaged in acts or practices that violate Sections 310.3(a)(4), 310.3(d)(1), (3), and (4), and 310.4(b)(1)(v) of the TSR, thereby violating Section 310.3(b) of the TSR. 16 C.F.R. § 310.3(b).

INJURY

93. Donors have suffered injury and will continue to suffer substantial injury as a result of Defendants’ violations of the FTC Act, the TSR, and state law. Absent injunctive relief by this Court, Defendants are likely to continue to injure donors and harm the public interest.

THE COURT’S POWER TO GRANT RELIEF

94. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt violations of any provision of law enforced by the FTC.

95. Section 19 of the FTC Act, 15 U.S.C. § 57b, and Sections 4(a) and 6(b) of the Telemarketing Act, 15 U.S.C. §§ 6103(a) and 6105(b), authorize this Court to grant such relief as the Court finds necessary to redress injury to consumers resulting from Defendants’ violations of the TSR, including the rescission or reformation of contracts and the refund of money.

96. Pursuant to 28 U.S.C. § 1367, this Court has supplemental jurisdiction to allow the Plaintiff States to enforce their state laws against Defendants in this Court and to grant such relief as provided under the following state laws, including injunctive relief, rescission or reformation of contracts, restitution, contributions, the refund of monies paid, the disgorgement of ill-gotten monies, civil penalties, forfeitures, attorneys’ fees, expenses, costs, and such other relief to which the Plaintiff States may be entitled:

STATE	STATUTORY AUTHORITY
California	CAL. BUS. & PROF. CODE §§ 17200 through 17209, and §§ 17510 through 17510.95; CAL. GOV. CODE §§ 12580 through 12599.10
Florida	Chapter 501, Part II, Florida Statutes (2023); and §§ 496.415-416

	(2023)
Maryland	MD. CODE ANN., BUS. REG. §§ 6-205(f), 6.5-102(a) (LexisNexis 2015)
Massachusetts	MASS. GEN. LAWS ch. 68 § 32
North Carolina	N.C. GEN. STAT. §§ 75-14 to 75-16.1; N.C.G.S. 131F-22, 131F-23, 131F-24
Oklahoma	OKLA. STAT. tit. 18, § 552.14a(D)
Oregon	OR. REV. STAT. §§128.735; 128.801 through 128.898, 646.605 through 646.642, 646A.370 through 646A.376
Texas	TEX. BUS. & COM. Code Ann. §§ 17.41–17.63- Texas Deceptive Trade Practices Act
Virginia	VA. CODE ANN. § 57-59(D) and (E)
Wisconsin	WIS. STAT. §202.18

PRAYER FOR RELIEF BY THE FTC AND THE STATES

Wherefore, Plaintiffs respectfully request that the Court:

- A. Award Plaintiffs such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of injury during the pendency of this action and to preserve the possibility of effective final relief, including expedited discovery, a preliminary injunction and an accounting of assets;
- B. Enter a permanent injunction to prevent future violations of the FTC Act, state law, and the TSR by Defendants;
- C. Award such relief as the Court finds necessary to redress injury to donors resulting from Defendants' violations of the FTC Act, state laws, and the TSR, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, contributions and the disgorgement of ill-gotten gains;
- D. Award Plaintiffs the costs of bringing this action, attorneys' fees, and such other and additional relief as the Court may determine to be just and proper; and
- E. Award Plaintiff States civil penalties and/or forfeitures for each violation of their respective state laws, attorneys' fees, and expenses as provided under state law.

Respectfully submitted,

Dated: March 11, 2024

/s/ J. Ronald Brooke, Jr.

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