



# Charities of Hope

February 5, 2009

Subject: Proposed Bill No. 5222

My name is John Caruso, I am the founder and President of Charities of Hope, Incorporated, a 501 (c) 3 organization based out of Cromwell, Connecticut. Charities of Hope was started in August 2002, by me as a way to give back to the community. I was introduced to the industry by a close friend and was intrigued at the operations and what I thought was the general purpose. After doing research on the companies in the industry, I found that it was a viable industry that if operated correctly a company would be able to give back to the local communities and organizations that supported it. So I built Charities of Hope, Inc., to give back on the community level. I started out with five locations and have since grown to 85 locations, donating 8-10% of my revenue to local communities, cancer organizations, and other nonprofit organizations.

In a March 15, 2005 press release by Attorney General Richard Blumenthal to the Hartford Courant, it is stated that several organizations in the clothing bin industry had violated the state's charitable solicitation law and the state's unfair trade practice law. It was stated in the article that "little to none of the proceeds went to the breast cancer charities." During this time one of the organizations went out of business, while the other organization named in the article still operates today under a private company utilizing the St. Vincent DePaul USA name. This became a long dragged out civil suit that ultimately charged only one individual who has eluded the repercussions of the suit.

I agree that a law needs to be passed that protects the public from fraudulent charities and I agree with the basic premise behind Bill No. 5222. A good share of the industry operates as recycling companies who compensate a charity to USE the name of the charity on their bins. So it is technically a business arrangement, NOT a revenue based on the AMOUNT of the clothing and shoe collections. I feel the wording on the bin should inform the public that the bin is **owned by a for profit organization and not by the non-profit that is advertised on the bin**. The companies that participate in the clothing and shoe collection industry are representing themselves as charities when in fact they are not. All the companies should be regulated as charities, if you are acting like a charity you should have to follow charity guidelines.

It is because of these reasons that I truly believe that the state has to put well defined regulations in place to protect the community and non-profit organizations.

Respectfully,



John H. Caruso, Jr.  
President and Founder