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*TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE GENERAL LAW COMMITTEE
FEBRUARY 5, 2009*

I appreciate the opportunity to support House Bill 5222, An Act Concerning Charitable Clothing Bins.

The proposal requires clear disclosure on any donation bin whether the donation will benefit a charitable organization and, if so, provide the name of such charity. The legislation adopts the same public disclosure requirements for donation bins as contained in a recently approved New Jersey law. Under this proposal, each donation bin must state whether the donation benefits a charity and, if it does, provide a notice that the donor may contact the Department of Consumer Protection for more information on the charity. This information assures that consumers are making an informed decision when donating articles for the benefit of a charity.

I urge the committee to also consider the attached amendment that clarifies that the owner of a donation bin is a paid solicitor under the Solicitation of Charitable Funds Act and requires donation bins to clearly state the charity for whom the donation benefits.

An owner of several dozen clothing donation bins has refused to register as a paid charitable solicitor under state law and to provide clear disclosure of the funds that have been collected through donations and how much has been provided to the designated charity. The registration and disclosure law is applicable to any person who raises funds for a charity in the state of Connecticut and ensures proper state oversight of those funds. Another charitable donation bin investigation uncovered a scam where a for-profit operator of donation bins would pay a fee to a charity in return for using that charity's name on the donation bin. Many people donated clothes thinking they were providing a direct donation. However, the clothing was simply sold to a bulk supplier overseas and only a small portion of the proceeds ever reached the charity. The for-profit company kept most of the revenue.

I urge the committee to favorably consider House Bill 5222 with the attached amendment.