Congress of the United States
Washington, DC 20510

May 1, 2012

The Honorable Jonathan Leibowitz
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Chairman Leibowitz,

We are writing to urge the Federal Trade Commission (FTC) to investigate complaints and concerns about the "Veterans Support Organization" (VSO) raised by the Veterans of Foreign Wars (VFW), as well as other constituents and veterans generally regarding alleged deceptive and misleading practices.

Requests for such an investigation come from Connecticut VFW officials who are concerned that VSO is employing paid solicitors posing as volunteers to collect donations outside of shopping centers. These solicitors claim to be volunteers, but in fact are paid on commission according to the amount of money they collect.

The VFW is also deeply troubled, as are we, by IRS 990 filings showing that that this organization has seemingly used only a small portion or percentage of millions of dollars in donations for charitable purposes such as grants and assistance programs to help veterans.

IRS filings show that VSO received $5.8 million in revenue in fiscal year 2009-2010, nearly all of it from donations. Yet VSO only distributed $379,000 for grants and assistance for veterans. In contrast, VSO paid $1.5 million in salaries and compensation, including $256,000 for the organization's CEO. Other large expenses include $325,000 for transportation, $241,000 for office expenses, and $72,000 for uniforms.

If these allegations are accurate, the false claims of solicitors who purport to be volunteers but are in fact paid employees, as well as the employees' false claims about the use of consumer donations, would seem to be deceptive practices under Section 5 of the Federal Trade Commission Act. Since the VSO operates in 17 states, FTC involvement is especially appropriate.

In the past, the FTC has pursued organizations that falsely claimed to help police, firefighters, and veterans but actually exploited and sullied their good name. We urge the FTC to continue to prosecute sham charities and protect the credibility and effectiveness of legitimate nonprofit organizations that really help America's heroes.

On behalf of the veterans of Connecticut and all their supporters, including ourselves, we thank you and look forward to your response.

Sincerely,

Richard Blumenthal
United States Senate

Joseph Lieberman
United States Senate

John Larson
Member of Congress

Joe Courtney
Member of Congress

Rosa DeLauro
Member of Congress

James Himes
Member of Congress

Christopher Murphy
Member of Congress