



Attorney General Doug Peterson

News Release

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Contact: Suzanne Gage
402.471.2656
suzanne.gage@nebraska.gov

Attorney General Peterson Settles Claims Against Two Sham Cancer Charities; Charities Dissolved and Leader Banned From Working for Non-Profits

Concludes Action by FTC, All 50 States and D.C. Against Charities that Bilked More Than \$75 Million from Donors

LINCOLN – Attorney General Doug Peterson, along with the Federal Trade Commission and agencies from all 50 states, obtained a permanent injunction to dissolve two nationwide sham cancer charities and ban their president from profiting from any charity fundraising in the future under a settlement filed in U.S. District Court in Arizona.

Cancer Fund of America Inc. (CFA), Cancer Support Services Inc. (CSS) and their leader, James Reynolds, Sr., agreed to settle charges that CFA and CSS claimed to help cancer patients, but instead spent the overwhelming majority of donations on their operators, families and friends, and fundraisers.

The agencies' complaint, filed in May 2015, targeted [four sham charities](#) run by Reynolds and his family members that allegedly bilked more than \$187 million from donors. CFA and CSS were responsible for more than \$75 million of that amount. The other two sham charities settled in May 2015. The settlement announced today concludes the largest joint enforcement action ever undertaken by the FTC and state charity regulators.

Under the settlement order, CFA and CSS will be permanently closed and their assets liquidated. Reynolds is banned from profiting from charity fundraising and nonprofit work, and from serving as a charity's director or trustee or otherwise managing charitable assets. He is also prohibited from making misrepresentations about goods or services, and violating the FTC's Telemarketing Sales Rule and state laws.

The order imposes a judgment against CFA, CSS, and Reynolds, jointly and severally, of \$75,825,653, the amount consumers donated to CFA and CSS between 2008 and 2012. The judgment against CFA and CSS will be partially satisfied via liquidation of their assets. The judgment against Reynolds will be suspended upon surrender of certain artwork, two pistols, and sale of a pontoon boat. The full judgment will become due immediately if he is found to have misrepresented his financial condition.

The other defendants in the case were CFA's and CSS's chief financial officer and CSS's former president, Kyle Effler; Children's Cancer Fund of America Inc. (CCFOA) and its president and executive director, Rose Perkins; and The Breast Cancer Society Inc. (BCS) and its executive director and former president, James Reynolds II. Under settlement orders, Effler, Perkins and Reynolds II were banned from fundraising, charity management, and oversight of charitable assets, and CCFOA and BCS are in receivership and will be dissolved after their assets are liquidated.

Stipulated orders have the force of law when approved and signed by the District Court judge.

The Nebraska Attorney General's Office offers [tips for consumers to give wisely](#), along with [other information about nonprofits](#), at protectthegoodlife.nebraska.gov. If you believe that a charity is a scam or is otherwise misusing donations, you can file a complaint with the Nebraska Attorney General's Office by clicking [here](#) or by calling (800) 727-6432.

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