

FREE MONEY: GRANT FINDER SCAMS

DATELINE NBC

<http://web.archive.org/web/20021017014517/www.donordata.com/dateline.htm>

YOU MAY HAVE received the mailings where they say it's easy to get a grant. **Free money**, that is, for things like clothing or home repair, to pay off bills or buy anything you need. **There are thousands of dollars out there just for the taking as long as you know where to apply.**

I thought it was worth a try because I heard of grants in the past, says Barbara Ohm. Thousands of people like Barbara Ohm have received letters from grant research companies. This one calls itself a financial finder and matching service. Another one says it offers customers all the information they need to receive free cash guaranteed. Many promise for about \$20 to \$40 they'll prepare a list of foundations suited to your needs and tell you how to apply. When I got the flier I got really excited, says Ohm.

I thought I could get a grant to open my business.

She wanted to turn her hobby of crocheting colorful ponchos into a business. I never make them in the same color twice, Ohm says. But she didn't have the start-up money. So when she got something from National Grant Finders, Inc., she felt her luck had changed. The first item listed for landing grant money was operating a new home business. I've seen the ads. I've seen a lot of the ads for the grants, says Nancy Martinez. Unlike Barbara Ohm, Nancy Martinez of Colorado didn't want to start a business. She just wanted to pay down a mountain of medical bills. A mailing she got from Foundation Grants Assistance stated she could use grant money for any worthwhile purpose, including debt and medical needs.

You get caught up in it and you're reading everything that, you know, tries to make you hopeful and gives you just this idea that you're going to be able to get a grant and so you go for it, says Martinez.

For \$39 she got a manual on how to request grant money and a long list of foundations she should write. Barbara Ohm sent \$34.99 for a National Grant Finders booklet. They both shelled out around \$50 more for stamps and sat down to write letters asking for grants, following the instructions and checking off nearly every foundation listed. I sent 110 at one time, says Ohm. And the first week I started getting letters back. And I got them two or three a day. She and Nancy got the same answers to their letters.

Ohm and Martinez read their letters: **I'm very sorry. I fear that you may be the victim of a heartless scam.** From what I know, **no foundations have been able to make grants to the people who write these letters, says Jane Nober of the Council on Foundations**, an association of private and corporate grantmakers. She says foundations support thousands of charitable causes. Soup kitchens, hospitals, art museums, schools and universities, medical research institutions and the like, says Nober. But lately she says foundations have been inundated with heartbreaking appeals from people they just can't help - letters spawned by companies like Foundations Grant

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Assistance and National Grant Finders.

They say foundations are required by law to give away at least five percent of their assets. That's true. They say foundations give away billions of dollars every year, and again that's true. But they also say that money goes to individuals. **In my experience, the percentage of grants that go to individuals directly is very, very, very small, says Nober.** But National Grant Finders clearly states you can get grants for any reason whatsoever. Foundation Grants Assistance says you can even get grant money to go on vacation.

The operators combine a little bit of truth with a lot of lies, says Nober. And that little bit of truth, I think, combined with people's desire to believe that there is an answer to their prayers out there is what sucks them in.

Companies claim thousands of individuals receive free cash grants every single day. What's more, they promised Nancy and Barbara customized lists. In Barbara's case, National Grant Finders told her it had a personal team of grant consultants who would research her specific needs and send a list of foundations willing to help her. This is what they got:

- Arlington Community Foundation, Battle Creek
- Battle Creek Community Foundation,
- Berrien Community Foundation,
- Community Foundation of Greater Chattanooga Incorporated

Remember Nancy Martinez wanted to pay off medical bills and Barbara Ohm was looking for grant money to start her business, yet they got virtually the same list of foundations. What seems even stranger is they bought their grant manuals from two different companies. It turns out National Grant Finders, Foundation Grants Assistance and two other similar companies are all the same basic Florida operation run by the same people.

So why'd they fall for it? This is what makes you comfortable, says Martinez. This is the catcher: **100 percent full money-back guarantee of application fee.** Remember unless your grant is approved, your grant application fee will be refunded in full. Martinez tried to get her money back. I sent the letter and the letter was returned probably two and a half three weeks later, written on it "return to sender," she says. Neither she nor Ohm could reach the companies. They heard this audio recording: You have reached Foundation Grants Assistance customer service line. Please leave your message at the sound of the tone.

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And Dateline tried contacting them as well. We left messages. We wrote letters. We finally decided to go to Florida. There was a myriad of addresses and company names to find. It was a bit of a wild goose chase, starting in Boca Raton, Florida.

But 21218 Saint Andrews Boulevard looks like a shopping center. Well this isn't Foundation Grants Assistance. It's a Mailboxes Etcetera. It's just a mail drop. We wanted to see if we could find National Grant Finders, which is supposed to be just down the road in Fort Lauderdale. We did and it was another mail drop. The American Foundation Center actually shows a building on its letterhead. It should be easy to find. But the building at that address didn't match the picture on the letterhead. A clerk at the address says, This is the building; they have a mailbox here. The clerk told us someone from American Foundation Center - another company owned by the same people - comes in once a day to pick up about 50 pieces of mail. We never did find the companies' actual location. But we did finally catch up with the companies' owners: Gary and Barbara Snider. We were waiting for them as they left a meeting at the Florida Attorney General's office.

Lea Thompson: Hi there I'm Lea Thompson from Dateline NBC. How are you? Are you Mr. Snider? The man shakes his head.

Lea Thompson: You're not Mr. Snider?

Gary Snider: I have no comment.

Lea Thompson: Mr. Snider, foundations that we've talked to say that you're running a scam. Can you give us one person who has actually gotten a grant for personal things like car loans or credit cards or clothing? Mr. Snider? Can we speak to you?

Gary Snider: No, I have nothing to say.

Gary Snider never did agree to talk to us about his business. Jane Nober calls what he is doing a scam. It's not a hard way to make a buck, as far as I can tell, says Nober. By investing a little bit in some postage and some advertising, you can hoodwink a lot of needy, trusting individuals. In just that one mail drop Snider does pick up 50 orders a day. Just that one company would be pulling in more than \$30,000 a month. And he has three more companies that we know of. **The Council on Foundations says this grant finders scheme has been around for decades and seems to be surging recently.** In the past couple of years, officials have shut down phony outfits in Ohio, New Jersey and Minnesota. As for the Sniders, the Florida attorney general is now investigating their advertising claims. But for at least four years, the Sniders have been undaunted.

You invest your time, your money, your hopes, your ambitions, says Ohm. You think you're going to get something out of it and you get absolutely nothing. The Federal Trade Commission says it's logging complaints about these types of businesses as is the Florida Attorney General's office which has been able to get customers their money back, too.