



When considering donating your vehicle to charity, beware of scams, such as Kars4Kids. It sounds like a good cause, right? Donate your car, make some child happy in the world -- that really sounds nice. However, this isn't the case. Let's have a look.

## Kars-4-Kids Scam

NAPERVILLE, Ill. A very catchy radio jingle features children singing, “**1-877-Kars-4-Kids, donate your car today.**” But the charity has caught the attention of law enforcement authorities who are investigating **one of the largest alleged car donation scams in U.S. history.**

The Illinois State Police team of investigators **uncovered hundreds of documents tying Kars-4-Kids to unlicensed towing companies** in Illinois.

The documents were discovered in January when ICC police raided towing companies in Naperville and Wheeling, IL. The raids followed a CBS 2/Naperville Sun investigation that **exposed felons running towing operations and profiting from charity car donations.** The series of reports exposed how the operations O’Hare Kars and Royal Auto and Towing stiffed 187 different charities out of at least 4,237 donated cars worth millions of dollars.

During the January raid, **investigators found records that hundreds of vehicles had been towed for Kars-4-Kids.** The charity’s cooperation was needed to help police, but that hasn’t happened.

**Kars-4-Kids** refused to investigators or anyone else for that matter. You would think if there was no wrong doing on their part, they would at least try and clear up what could be a misunderstanding.

“I was trying to do something good but that is not the way it turned out,” she said.

In October, after hearing the radio jingle, **an Illinois woman donated a Chrysler Concorde to Kars-4-Kids. The next time she saw the vehicle, it was on TV, during CBS 2’s story about the police raid about the cars and the charity.** Apparently, they were operating illegally and shut down following the raid. Now the woman is not sure who profited from her vehicle donation.

According to the news investigation she was shocked in part because the men running the two towing companies, hired by **Kars-4-Kids, not only are accused of keeping money meant for charity, but also are convicted felons.**

The people behind the towing company were cited by Illinois Secretary of State Police for running an unlicensed dealership. Police say the company also was towing charity cars without proper permits. Its public carrier status has been temporarily revoked.

Another man was cited with more than 600 charges by Police for violations in its handling of donated vehicles. The company lacked a public carrier permit to haul donated cars. Hearings

were held, but police say the man failed to show up, so the company's towing permits were revoked.

In the meantime, tow trucks were seized by a federal bankruptcy court trustee and its Naperville and Wheeling locations have since shut down.

The woman says she was appalled to hear **Kars-4-Kids would not cooperate with police** investigating the illegal towing and sale of donated cars.

"If you have nothing to hide, why wouldn't you help?" she says.

Police agree, saying that in addition to making 24 phone calls, the agency sent three letters to the charity and received no cooperation. After months of trying to reach the charity, a spokesman this week finally returned a call to police. The spokesperson from Kars-4-Kids claims they were not aware police and reporters were trying to contact them and that they would now cooperate with authorities. They also claim the charity severed ties with the two towing companies.

But there is one more group that would like cooperation from Kars-4-Kids.

"Nobody returns your phone call. Nobody will answer your questions," says Betsy Conway, who runs a local charity with the same name.

"They are Kars-4-Kids with a K and we are Cars for Kids with a C," Conway says.

Conway's group is based in Illinois and donates its money to local children's charities. The other Kars-4-Kids is based in New Jersey. It funnels its money to private Jewish education and outreach.

Conway says her organization has received as many as five complaints in a week regarding Kars-4-Kids. The calls are from donors who typically complain about not getting receipts and critical tax records from the New Jersey charity.

"It's a high complaint rate," says Conway. "We have a lot of problems with this group."

Car donations are a big business. Landau from Kars-4-Kids says so far this year the charity has collected 25,000 vehicles nationwide. The CBS 2/Sun **investigation has requested access to Kars-4-Kids financial records** and a complete list of its current towing companies but the charity has yet to turn over that information.

There are hundreds of charities that also have vehicle donation programs. After the CBS 2/Sun investigation, Illinois lawmakers took action to better protect the donors and charities. A new state law will take effect in January requiring full disclosure of who profits from a donated car. It also bans felons from acting as car donation middlemen.

Police believe the law will help police stop unscrupulous car donation collectors.