

1974 WL 27162 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

August 14, 1974

***1 Re: United Way**

James T. McKenna, Esq.
General Counsel
James Madison Foundation
Suite 308
415 Second St. N.E.
Washington, D. C. 20002

Dear Mr. McKenna:

Your letter of July 19 has been referred to me for consideration and reply. In that letter you indicate that the national office of the United Way maintains a relationship with the AFL-CIO, whereby AFL-CIO employees are put on the United Way payroll and while on the United Way payroll exclusively engage in union activities. You have requested this office to advise you as to whether this practice would constitute a charity fraud, in the State of South Carolina.

At the onset, I must point out that I have been unable to verify whether or not there does exist the kind of relationship between the United Way and the AFL-CIO which you assert in your letter. Although charitable organizations are required to register in the State of South Carolina with the Secretary of State, the United Way in this State is broken down into county organizations and each individual organization registers with the Secretary of State. For this reason, I have been unable to uncover any information which pertains to the relationship between the county organizations and the national organizations, or between the national organization and the AFL-CIO.

Notwithstanding this lack of verification, however, if the facts as contained in your letter are correct, this sort of activity would, in all probability, constitute a deceptive trade practice within the State of South Carolina. Whether or not the activity you mentioned would constitute a charity fraud is impossible to answer without knowing more specific information, inasmuch as proof of fraud in the State of South Carolina is very difficult.

This office is very interested in the data which you are compiling and we would appreciate your keeping us informed as to any new developments.

Sincerely,

Ellison D. Smith, IV
Assistant Attorney General

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