

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
1511 PONTIAC AVENUE
BUILDINGS 68 AND 69
CRANSTON, RI 02920

IN THE MATTER OF:

FOCUS MARKETING GROUP, INC.,

RESPONDENT.

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DBR NO.: 08-S-0290

EMERGENCY ORDER TO SUSPEND REGISTRATION

Pursuant to R. I. Gen. Laws §§ 5-53.1-1 *et seq.*, and 42-35-14, the Director ("Director") of the Department of Business Regulation ("Department") hereby suspends the Professional Fundraiser registration of Focus Marketing Group, Inc. ("Respondent FMG"). This Order is effective upon issuance.

Upon receipt of a written request for a hearing within thirty (30) days of the date of this Order, a Hearing Officer will be appointed by the Director and the matter will be set down for hearing no less than ten (10) and no more than twenty (20) days from the date such request is received. The Director will promptly notify the Respondent FMG of the time and place for any hearing. If no hearing is requested and none is ordered by the Director, this Order shall become permanent thirty (30) days after entry and shall remain in effect unless or until it is modified or vacated by the Director or his successor.

The Director makes the following findings of fact and conclusions of law with respect to entry of this Emergency Order:

1. Respondent FMG registered as a professional fundraiser in the State of Rhode Island pursuant to R.I. Gen. Laws § 5-53.1-1 *et seq.* on July 21, 2008, upon execution of a Consent Agreement with the Department and that registration is due to expire on June 30, 2009.
2. Respondent FMG conducts its professional fundraising activities at its office, which is located at 1481 Atwood Avenue, Johnston, RI 02919.
3. In a letter dated October 16, 2008 the Securities Division (“Division”) requested that Respondent FMG provide a written response within two (2) weeks with respect to information that the Division had that Respondent FMG may have entered into a contract with an unregistered charitable organization as required by R.I. Gen. Laws § 5-53.1-7(5) and that Respondent FMG may have failed to disclose to the Division all names of its employees as required by the application.
4. Respondent FMG’s reply was received by the Division on November 30, 2008. In the response Respondent FMG’s owner, Ronald Webster, authorized Thomas Gity to act on his behalf in any and all decisions regarding Focus Marketing Group. Respondent FMG also submitted the names and applications of five professional solicitors who were never disclosed on the original application. Respondent FMG also acknowledged to entering into a contract with the Middletown Youth Football and Cheerleading, an unregistered charity, on September 29, 2008 and represented that all solicitations for this charity ceased on October 8, 2008.
5. Respondent FMG made untrue material statements in the application for registration in violation of R.I. Gen. Laws § 5-53.1-7(1).

6. Respondent FMG employed the five professional solicitors without registration with the Division in violation of R.I. Gen. Laws §5-53.1-7(9).
7. Respondent FMG entered into a contract with the Middletown Youth Football and Cheerleading, an unregistered charity, in violation of R.I. Gen. Laws § 5-53.1-7(5).
8. On October 23, 2008, the Johnston Police Department (“JPD”) advised the Division that Respondent FMG solicited and physically collected donations from Rhode Island residents on behalf of the Firefighters Charitable Foundation (“FCF”), which has stated in a letter to the JPD dated October 23, 2008 that FMG does not have an agreement to solicit on behalf of FCF.
9. The JPD Incident Report identified Thomas Gity as an “Office Manager” for Respondent FMG when the officers arrived at Respondent’s location in Johnston on October 21, 2008. A criminal background check conducted by JPD on Mr. Gity revealed that he had several felony charges including “RICO, organized crime gambling, conspiracy, usuary [sic], embezzlement, forgery, and counterfeiting.” The report also indicated that several other employees also present at Respondent FMG’s location had criminal records.
10. On October 30, 2008 the Woonsocket Police Department (“WPD”) advised the Division that on October 30, 2008 they had witnessed and detained a Focus Marketing Group employee picking up a \$600.00 donation check made out to “W.F.C.F.” from a Woonsocket business owner and handing the business owner a receipt. The receipt for this donation to FCF listed the campaign call-back telephone number as a telephone number that belongs to Local Concern Group, a

professional fundraiser who terminated its registration with the State of Rhode Island on September 24, 2008 and whose contract to solicit for FCF was terminated on August 12, 2008.

11. Four (4) additional confirmed donation envelopes that were scheduled for check pick-ups by Respondent FMG's employee were also seized by the WPD. Three of the envelopes were solicitations purportedly on behalf of FCF by Respondent FMG. The fourth envelope was a solicitation by Respondent FMG for the Disabled Police Officers of America, a charity not registered with the State of Rhode Island and a charity FMG does not have a contract with in the State of Rhode Island.
12. On December 5, 2008 the American Cancer Society's Rhode Island office ("ACS") notified the Division that they had received six (6) complaint calls regarding phone solicitations on behalf of ACS. ACS learned that a consultant working with them had hired Respondent FMG to solicit for ACS without the knowledge, authorization and/or approval of ACS. On December 4, 2008, ACS issued a cease and desist letter to the consultant and Respondent FMG. ACS was not aware of, nor ever authorized a Rhode Island fundraising campaign with Respondent FMG.
13. On December 5, 2008 ACS notified the Division that ACS would be contacting the Rhode Island citizens who were solicited by Respondent FMG and explain to them that their donations were obtained fraudulently without ACS's knowledge or consent, and offer to return them.

14. The unauthorized solicitation activities by Respondent FMG described herein constitute a violation of R.I. Gen. Laws §5-53.1-7(2) (which prohibits “[e]ngaging in any illegal or fraudulent act, device, scheme, artifice to defraud or obtain money by means of false pretenses or representation in connection with any solicitation for charitable purposes or any solicitation or collection of funds for a charitable organization.”)
15. On December 8, 2008 the Division received a complaint from a Massachusetts resident that alleges that they were issued a check by Respondent FMG for payment of services at a fundraiser that was returned for “Insufficient Funds.” This specific complainant alleged that numerous attempts via phone and in-person to Respondent FMG for a replacement check had failed.
16. On December 15, 2008 the Warwick Police Department (WPD) sent the Division a copy of incident report #08-5941 involving Respondent FMG. This incident report indicated that on December 9, 2008, a Warwick business was solicited by Respondent FMG on behalf of ACS. After agreeing to contribute, the business contacted ACS to confirm the fundraising drive and were told by ACS that there was no fundraising drive in Rhode Island and ACS had no contract with Respondent FMG. On December 12, 2008, when a runner arrived on behalf of Respondent FMG at the Warwick business to pick up the check, the business called the WPD who responded and filed a report.
17. On December 16, 2008, Officer Timothy Benedetto, President of the Everett Police Betterment Association (“EPBA”) forwarded to the Division a copy of its application for criminal complaint against Ronald Webster, owner of Focus

Marketing Group and Respondent FMG. The complaint alleges that Respondent FMG held a fundraising event on behalf of EPBA in August of 2008 and deposited all donations received into Respondent FMG's operating account. Respondent FMG then issued to EPBA a check drawn on Respondent FMG's account which was returned for insufficient funds on October 14, 2008. The complaint charges larceny by false pretenses and larceny over \$250.00.

18. On December 17, 2008 after speaking with the Division, the Portsmouth Police Department ("PPD") forwarded two (2) incident reports. Incident report #08-1824-OF involved a Portsmouth restaurant that was solicited on behalf of the Firefighters Charitable Foundation in September and then again in October of 2008. The restaurant owner contributed in September, but became suspicious of the second solicitation and filed a report with the PPD. The solicitation receipt given to the owner is an exact replica of the receipt taken from the runner acting on behalf of Respondent FMG in the Woonsocket Police Report. The second incident report #08-1758-OF states that on October 14, 2008, a Portsmouth resident was solicited for a donation for the Portsmouth/Middletown Youth Football from a woman who stated she was employed by Respondent FMG. The resident is affiliated with the Portsmouth Youth Football and Cheerleading organization and told the caller Respondent FMG was not authorized to collect donations on their behalf of them. A supervisor for Respondent FMG then got on the phone and stated they would correct the error.
19. The facts described herein constitute a pattern of engaging in prohibited activity in violation of registration requirements of R.I. Gen. Laws § 5-53.1-1 *et seq.* and

activity prohibited R.I. Gen. Laws § 5-53.1-7(1), (2), (3), (4), (5), (6), (8), and (10).

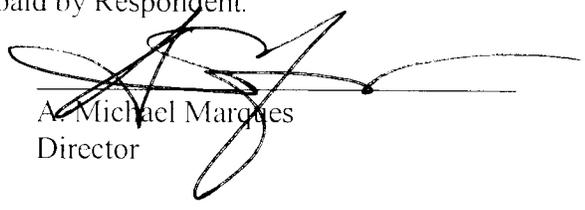
20. The potential solicitation of the public by individuals without authority to solicit on behalf of the identified charities as well as the apparent solicitation by Respondent FMG without authority to act on behalf of these charities constitutes a threat to the potential contributors and legitimate charities and requires emergency action pursuant to R.I. Gen. Laws § 42-35-14(c).

THEREFORE, based on the above facts, the Director hereby finds that Respondent FMG's actions as detailed above constitute serious violations that are a threat to the public interest and that the public health, safety, or welfare imperatively require emergency action, therefore it is hereby ORDERED that:

1. Respondent FMG's registration as a Professional Fundraiser is immediately suspended;
2. Respondent FMG shall immediately cease and desist from engaging in any activity pursuant to R.I. Gen. Laws § 5-53.1-1 *et seq.*
3. Respondent FMG shall within two (2) business days provide a list of all pending solicitations, donors and charities as well as a list of all funds collected since being registered in Rhode Island with the donor, solicitor, charity, and amount forwarded to charity clearly itemized. The itemization should include names, addresses, phone or other contact information of the donor, solicitor, and registered charity.

4. Respondent FMG shall within two (2) business days identify any all individuals (with their names, addresses, and telephone numbers) acting on its behalf in any capacity in Rhode Island.
5. Respondent FMG shall within two (2) business days provide all bank statements for any and all bank accounts related to its activities or the activities of any of its principals.
6. Respondent FMG shall within two (2) business days provide the Department with an accounting of all monies: (i) collected by Respondent FMG on or after the date of this Emergency Order; and (ii) expected to be received and/or disbursed by Respondent FMG with regard to any activity conducted by Respondent FMG. Said Accounting shall detail the name and address of the individual/entity from whom monies are received and/or disbursed; Said monies shall be deposited in a separate escrow account to be established in the name of Focus Marketing Group, Inc. and shall not disburse any funds from said account without the written approval of the Department.
7. Respondent FMG shall cooperate fully with the Department in fulfilling the terms of this Emergency Order including, but not limited to: (i) providing all information requested by the Department promptly; and (ii) providing the Department with access to any and all records to ensure that all unauthorized funds are returned in accordance with a process established by the Department, and pending fundraising is transitioned and completed promptly without harm to the public.

8. Respondent's suspension pursuant to this Emergency Order shall be published in the *Providence Journal* said cost for publication to be paid by Respondent.



A. Michael Marques
Director

Dated this 22nd day of December 2008.

CERTIFICATION

I hereby certify that a copy of this Emergency Order was mailed to Respondent by regular and certified mail, return receipt requested, and to Respondent's counsel by facsimile, regular and certified mail, return receipt requested on December 23, 2008 at the following addresses:

Mr. John S. Petrone, Esq.
145 Phenix Avenue
Cranston, RI 02920

Mr. Ronald T. Webster
Focus Marketing Group, Inc.
1481 Atwood Avenue
Johnston, RI 02919

Mr. Ronald T. Webster
11 Woodcrest Drive
Johnston, RI 02919

