

# Ohio Attorney General's Nonprofit News

Protecting the Integrity of Nonprofits



Winter 2017

## [Three Resources for Strengthening Cybersecurity in the New Year](#)

Every New Year brings an opportunity for a fresh start. Charities often launch new strategic plans, fundraising initiatives, or program services in January. Another item that charities should add to their to-do list for the coming year is to strengthen their cybersecurity practices.

International headlines have been made about serious data breaches at major corporations. (This year's [Equifax data breach](#) is an example.) Some groups may believe that cybercriminals are only interested in victimizing large corporations or that charities, particularly smaller organizations, have no need to worry. The truth is that charities of all sizes can be vulnerable to cyberattacks.

Charities hold all kinds of data that are valued by those committing cybercrimes, such as personal and financial information about donors, clients, and staff members. Unfortunately, charities throughout the country have had their computer systems and websites taken over by cybercriminals who demand payment to return the information, or they discover that sensitive financial and health information has been shared on the dark web, potentially used by criminals.

The integrity of an organization can be greatly injured by cyberattacks, and the costs of recovering information and adjusting IT systems following an attack can be significant. Plus, while larger organizations often have IT departments to manage these issues, small charities may have only one or two people who must be attentive to cybersecurity on top of many other issues.

To assist organizations, the Ohio Attorney General's Office is providing several cybersecurity resources including:

1. **Cybersecurity webinar on Jan. 10.** The office's Charitable Law Section will hold a special webinar in conjunction with the Attorney General's CyberOhio unit at noon on Jan. 10, 2018, to address ways that charitable organizations can protect their information. Register for this free webinar [online](#).
2. **Data breach prevention and response guide.** The Attorney General's "[Data Breach Prevention and Response Guide](#)" highlights key principles of sound data security, tips on training employees to prevent a data breach, and steps to take in response to a breach.
3. **CyberOhio newsletter.** The Attorney General's [CyberOhio newsletter](#) covers cybersecurity topics, such as how to make a smartphone more secure, how to avoid a phishing attack, and why passphrases are better than passwords.

Charities should make it a priority to adopt a cybersecurity plan that includes such steps as evaluating the types of information available within the organization and who has access to it; training employees to take precautions against a breach by avoiding phishing schemes and other

suspicious activities; and determining what steps will be taken if a breach occurs. These issues will be reviewed in the Jan. 10 webinar and also are outlined in the “Data Breach Prevention and Response Guide” produced by the Ohio Attorney General’s CyberOhio initiative.

Ohio Attorney General Mike DeWine launched the CyberOhio initiative in 2016 to help foster a legal, technical, and collaborative cybersecurity environment to help Ohio businesses thrive. The initiative includes several components, such as examining and promoting cybersecurity legislation, offering cybersecurity training opportunities, and developing cybersecurity workforce personnel. One of the goals of CyberOhio is to increase awareness of the importance of data breach prevention among small businesses and charities.

## [Renew Your Bingo License by Jan. 2](#)

Organizations interested in renewing their bingo licenses for 2018 have until Jan. 2 to submit their completed applications in order to avoid delays in their bingo activities.

Groups that file after the deadline (which is normally Dec. 31 but is extended because of the weekend and New Year’s Day holiday) can face substantial delays in getting their licenses renewed.

The online application renewal process has not changed substantially over the years. The biggest change for 2018 is the requirement that veterans, sporting, and fraternal organizations must have a separate contract with each charitable organization they intend to support through their charitable distribution process.

The Ohio Attorney General’s Charitable Law Section will receive roughly 1,500 renewal applications for bingo licenses by the end of the year. Because of the volume of applications, all currently licensed organizations are strongly encouraged to avoid filing late. A late filing would prevent the organization from being able to continue its bingo operations until its application can be reviewed, after all the timely applications have been processed.

The Charitable Law Section provides an online system for new and renewal bingo license applications. The system can be accessed on the Attorney General’s [website](#).

Frequently asked questions about bingo can be found on the Ohio Attorney General’s [website](#). Additionally, the 2018 schedule for [Bingo School](#) will be finalized soon and posted to the site. Check after the first of the year for dates and locations.

## [Year-End Gifts and Wise Giving](#)

For many charitable organizations, December is a critical month because a substantial portion of their charitable contributions come in the form of year-end contributions. Many Americans increase their giving at this time in order to take advantage of the deductibility of charitable contributions for income taxes.

Because of the importance of December giving, many citizens receive increased numbers of solicitations by mail, telephone, and in-person requests. While many solicitations come from organizations that do good work and use donations as intended, some come from less scrupulous groups that take advantage of donors' good will.

In November, Ohio Attorney General Mike DeWine [announced a lawsuit](#) against Cops for Kids Inc., a nonprofit accused of misleading Ohio donors about how their money would spent. The group raised more than \$4.2 million over the course of 10 years, but spent less than two percent of it on charitable programming, despite claims that it provided significant programming in most of Ohio's 88 counties.

Sham charities can take money away from reputable groups that maximize charitable dollars. And because sham charities often use names that sound trustworthy, it can be difficult to evaluate a charitable request based solely on the solicitation. Fortunately, a bit of research can go a long way in ensuring that charitable contributions will go to organizations that make effective use of their funds.

The Ohio Attorney General's [website](#) offers several resources for those trying to make thoughtful decisions about what groups to support. In addition to using the website's search function to determine what, if any, information about the charity is on file with the Attorney General's Charitable Law Section, there are also links to watchdog organizations that evaluate charities.

In general, the best approach to avoid feeling pressured about making contribution decisions is to adopt a giving plan listing the specific organizations you wish to support. When additional solicitations arrive, you can ask for more information to evaluate the request.

If you suspect a charity scam or encounter questionable fundraising activity, report it to the Ohio Attorney General's Office [online](#) or by calling 800-282-0515.

### [Unclaimed Funds Listing May Carry Happy Surprises](#)

Starting off the New Year with extra money could help make it a "Happy New Year" for many people. Charities might consider making it an annual ritual to check the state's listing of unclaimed funds each January to see if there might be monies waiting to be claimed by the organization.

The Ohio Department of Commerce's Division of Unclaimed Funds has a database that lists the names of individuals and companies that may be entitled to funds that have been submitted to the division.

These funds might come from insurance policies, uncashed checks, deposits, or other transactions. If there is no activity in the account for a period of time and the company cannot reach the account owner, the funds are reported to the division, which works to track down the rightful owner.

There is a simple search function on the division's website where the names of individuals and organizations can be entered. Simply type in the name of your charity to see if there may be funds your group might be entitled to. You also can encourage your staff, volunteers, and clients to search the database to determine if they might have funds awaiting them.

Visit the division's webpage at <http://com.ohio.gov/unfd/> for directions on searching the database, as well as the procedures for making a claim for funds the division holds.