

Oregon Department of Justice Investigates Autism Awareness United

The Oregon Department of Justice (DOJ) is investigating Autism Awareness United (AAU), a charity that operates in Oregon and Washington. The DOJ has alleged that, among other violations, AAU has violated Oregon law by holding raffles in excess of \$10,000. In Oregon, a charity must have federal tax-exempt status to operate raffles greater than \$10,000; AAU is an Oregon nonprofit corporation but has not received recognition of federal exempt status.

AAU was organized and incorporated in Washington in 2010 by Dan Searles.¹ Searles is a former mortgage broker who left the practice and agreed to a five-year suspension of his mortgage broker license after facing fraud allegations. In addition, Searles also has a 1984 criminal conviction in Washington for running a gambling ring from a state vehicle. When formed, AAU's stated mission was spreading "awareness about autism spectrum disorders, and to raise funds to assist low-income families in gaining access to available interventions, therapies and resources."

Shortly before organizing AAU, Searles and his wife, Rena, signed a fundraising agreement with the Autism Society of Washington, another autism nonprofit. That agreement let the couple keep 80% of the funds raised. But before the contract expired, the Autism Society board canceled it, and the board reported both Dan and Renea Searles to authorities for engaging in deceptive fundraising practices. In addition, the Autism Society questioned the amounts raised reported by Searles.

In September 2011, Rena Searles incorporated Autism Awareness Northwest in Oregon, and then she changed the name to Autism Awareness United in December 2011. However, ORS 167.117(5)(a) only allows the operation of raffles and other gambling operations by organizations with federal tax-exempt status. In fact, the statute specifically excludes raffles by any organization if donations to that organization are not tax deductible. ORS 167.117(5)(b). In addition, ORS 167.118(2) only allows the operation of raffle games on approved dates and times.

The DOJ has alleged that AAU has violated both statutes and has asked AAU to stop fundraising. Although AAU told the DOJ in June 2012 that it was ceasing fundraising activities, the DOJ recently accused AAU of continuing to advertise fundraisers.²

The Oregon investigation is ongoing; Washington has also conducted an investigation of AAU's practices in that state.

*Jennifer Stallkamp
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¹ Nick Budnick, *Autism Charity Investigated by Oregon DOJ*, The Oregonian, April 7, 2012, http://www.oregonlive.com/health/index.ssf/2012/04/autism_awareness_charity_found.html.

² Nick Budnick, *Autism charity continues fundraising despite Oregon warning, probe*, The Oregonian Sept. 14, 2012, http://www.oregonlive.com/health/index.ssf/2012/09/autism_charity_continues_fundr.html.