

Cheating the Heroes?

ABC World News with Diane Sawyer

DIANE SAWYER:

We know that no charities deserve more support than the ones helping veterans. But today, a troubling headline from Charity Watch, a watchdog arm of the American Institute of Philanthropy.

The institute studied 46 charities for veterans and found that one half of them deserve failing grades for spending less than a third of the money on services that help veterans. Two of those are subject of investigation tonight by ABC's Brian Ross.

BRIAN ROSS:

American patriotism and the desire to help returning veterans has led to the growth of one of the charities called Help Hospitalized Veterans. It has raised more than \$400 million over the last 10 years, featuring what appear to be endorsements from former President George W. Bush and a series of celebrity appeals for contributions that were to go directly to help hospitalized vets.

MARG HELGENBERGER [Actress]:

It will help send a message to our veterans that they have not been forgotten.

ROSS:

But ABC News found millions of dollars was going not for veterans, but for golf club dues and huge salaries and pensions for top charity officials. The charity's founder, Roger Chapin, cancelled a scheduled ABC News interview and fled the building five years ago when he realized we were on to him. Now, the California attorney general has moved against the charity with a civil complaint, saying less than half of the money went to veterans.

KAMALA HARRIS [California Attorney General]:

The people that we have charged, the defendants in this complaint have been so outrageous in their greed and in their self-serving practices. And it is one of the most outrageous cases we've seen.

ROSS:

According to that new report, of 46 veterans charities rated by watchdog group Charity Watch, 23 of them, including Help Hospitalized Veterans, received an F grade, meaning less than a third of their money actually goes to veterans.

As of today, Help Hospitalize Veterans was still collecting money on its website, but former President Bush told ABC News today he had never endorsed the charity. And actress Marg Helgenberger said she will now demand the charity stop using her video. At the charity offices in California, officials were still declining to answer our questions.

There are many veterans charities which officials say are totally legitimate and do a good job helping veterans. We have a list of some of those that have received an A rating from the charity watchdog group on our investigative website at ABC.com, Diane.

SAWYER:

So don't stop giving, but check it out first.

ROSS:

That is right.

SAWYER:

Okay. Thank you, Brian.