

Charity Fraud & Ballpark Hotdogs: An Update

09.14.23 | Linda J. Rosenthal, JD



There's more news on the hotdogs-and-beer fraud perpetrated by a charity imposter at Petco Park. See [Some Charity Fraud With With Your Hotdog, Sir?](#) (September 1, 2023) *FPLG Blog*.

And we're adding some helpful advice for the business community to guide them in screening applicants for charitable collaborations.

Phantom Charity

In the final week of August, 2023, the Voice of San Diego's Will Huntsberry uncovered a years-long scam that improperly diverted funds intended by the management of the Padres and Petco Park to go to legitimate local charities. See [Nonprofits Get a Cut of Petco Park Food Proceeds, But One of the Biggest Nonprofits at the Stadium Doesn't Exist](#) (August 28, 2023), and his three additional articles on each of the following days.

"In venues and stadiums throughout the country, including many in San Diego, [charities provide volunteers to staff concession stands](#). In return, the charities get to keep roughly 10 percent of a given stand's revenue."

The San Diego Padres have such a program. For the past nine years, the "nonprofit" operating the most concession stands at Petco Park – and raking in hundreds of thousands of dollars – [was a phantom charity](#) that called itself "Chula Vista Fast Pitch" or, earlier, "Chula Vista Fast Patch."

There used to be a legitimate 501(c)(3) named "Chula Vista Fastpitch" which ran a youth softball league in San Diego's South Bay area. But the founders formally dissolved it in 2014.

"Soon after the original charity shut down," reports Mr. Huntsberry in a new article, "a nonprofit called "C V Fast Patch," was incorporated with the state. See [Sports Arena Realized Fake Softball Charity Wasn't Real Years Ago](#) (September 6, 2023) *Voice of San Diego*. Its address was listed at a home owned by Martin Rebollo, according to property records."

Mr. Rebollo and another man, Noly Ilardo (both of whom apparently had some vague association with the original Chula Vista Fastpitch) moved quickly to present themselves as legitimate representatives of the youth-softball organization and apply for one of the coveted charity-concession-stand slots at Petco Park. The application was almost summarily approved, and for nine years these men ran the most lucrative of the food-and-drink operations at that venue – until the Voice of San Diego sleuthing exposed the con, and prompted Petco management to shut it down.

Mr. Rebollo and Mr. Ilardo also easily landed a similar gig at the new Snapdragon Stadium, the year-old-home to the San Diego State Aztecs. When the news story broke in late August, the officials running the college program barred them from continuing.

A key fact emerging in Will Huntsberry's September 6th new reporting is that these men ran the same scam beginning in 2014 at the San Diego Sports Arena now technically named Pechanga Arena. He writes: "Officials at Sports Arena ... ejected" the purported charity (by then known by the slightly tweaked name, "Chula Vista Fast Pitch") back in 2015 "for a simple reason: because it was so easy to verify it wasn't in fact a charitable organization, people familiar with the situation said."

"In Sports Arena, ..., the group faced a tougher verification process than at Petco [or later] at Snapdragon," Mr. Huntsberry explains. "Around 2015, a company called Levy managed concessions at Sports Arena. Levy managers checked out Chula Vista Fast Pitch's nonprofit paperwork and realized the group wasn't a real charity. They quickly ejected the group, people familiar with the matter said."

The bottom line, says Will Huntsberry, is that some "... venue managers in San Diego had a much easier time verifying a fake charity wasn't real than others, Voice of San Diego has learned." By contrast, Petco Park's concession officials, along with those at Snapdragon Stadium, reportedly did little or no inquiry at all.

"Verifying Chula Vista Fast Pitch isn't a real charity wasn't difficult....[E]asily accessible state and federal documents show it shut down in 2014." The earlier (true) organization was well-known in youth-baseball circles as were the founders and prime movers, Jackson Wyatt and his wife. They are "still both involved in local softball" but Mr. Wyatt said "he had no idea anyone was still using the name."

The Imposters are Still At It

Will Huntsberry has uncovered additional evidence: This San Diego scam story may not be over.

In his September 6th update in the Voice of San Diego, he reports that "[m]ultiple similarly-named entities are registered to [Martin] Rebollo or his address including one that was created the day after Voice's initial story ran" on August 28th. See the link to an August 29, 2023, filing with the California Secretary of State for a new entity, called "Chula Vista fast patch Inc." The filing is signed by Martin Rebollo and dated August 29, 2023.

Mr Rebollo describes the "Purpose Statement" in the appropriate box on the form: "This corporation is a Nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for: Public and Charitable purposes

....” He adds in the next box: “The specific purpose of this corporation is to Provide services to service fan members at a stadium. We sell food and beverages. This corporation is organized and operated exclusively for the purposes set forth within the meaning of Internal Revenue Code section 501(c)(3)....” [and blah blah blah, continuing with the standard boilerplate the IRS and the State of California expect to see on government filings].

Needless to say, providing “services to service fan members at a stadium” by “sell[ing] food and beverages” won’t cut it for a 501(c)(3) tax exemption even under the low bar of the Form 1023-EZ.

A Victimless Crime?

This scam is fairly described as – among other things – identity theft. It can happen to individuals and it can happen to corporations – both for-profit and nonprofit. There are as many variations as con artists can imagine and pull off. And, no matter what it’s called, it’s charity fraud, pure and simple.

Is there an identifiable victim in this case? The youth softball league whose identity was appropriated was no longer in existence. The funds paid by the stadium concession managers cannot fairly be described as having been diverted away from a defunct organization.

The hungry fans – technically speaking – were not victimized. They enjoyed their hot dogs, willingly forking over the \$10 price. It’s part of the American baseball experience. They were likely oblivious, as Will Huntsberry has pointed out, of the fact that their purchases on game day at some, though not all, of the stadium’s food outlets, would benefit worthy charities.

Was this a “victimless crime?” Certainly not. The San Diego community was victimized, as were – arguably – other legitimate applicants for these valuable program slots. The 10% of net sales could have made a huge difference to any one of many worthy 501(c)(3)s in town and – by extension – to the beneficiaries of their critical services and programs.

Guidelines for Businesses With Charity Programs

Government charity watchdog officials have their hands full trying to keep up with the growing problem of charity fraud including but not limited to identity theft.

For an interesting – and scary – discussion of threats like these, check out a July 2022 podcast by the Pro Bono Partnership of Atlanta (PBPA): Episode 29: *Protecting Your Nonprofit from Scams, Fraud & Imposters.*

The link includes the audio as well as a written transcript of the full 35-minute panel discussion featuring host Sireesha Ghanta, PBPA Counsel and Education Director; Noula Zaharis, Director of Securities and Charities Division with the Georgia Secretary of State; and Anna Burns, the Regional Director of the Federal Trade Commission’s Southeast Regional Office.

They present “practical steps nonprofits can take to protect themselves against fraud.” They also urge the private sector to take at least some minimal precautions including meaningful screening before they jump into partnerships or associations of any kinds with nonprofits, or have programs like this one where a portion of the proceeds are advertised as going to legitimate charities.

See for example: the Federal Trade Commission's [Tips for Retailers: How to Review Charity Requests](#), including a sample [Charity Request Form](#).

Similarly, see the advice from the Ohio Attorney General's Office: [A Charity Guide for Businesses: How to Review Requests and Avoid Scams](#) [11 pp PDF]. This publication also includes a helpful screening template: sample Application for Charities To Fundraise or Solicit on Premises.

Conclusion

Identity theft is a real and present danger for far too many *active* charities who are victimized by scam artists successfully misappropriating donations, bank accounts, valuable data, and other assets – often for considerable lengths of time before discovery.

And the community is victimized by the “ghost charities” that cynically take away money needed for charitable purposes.

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