



NONPROFITS: FUNDRAISING & DEVELOPMENT

Online-Fundraising Ethics and the GoFundMe Scandal

07.08.26 | Linda J. Rosenthal, JD



“Charitable crowdfunding” is – once again – back in the news.

The most current reason is the publication two weeks ago of [Principles for Ethical Online Fundraising Platforms](#) [5 pp. PDF] by the National Council of Nonprofits and the launch of its campaign to garner support and publicity for it from the charitable community.

In [Protecting Donors, Nonprofits, and Communities from Unethical Online Fundraising Platforms](#) (June 23, 2026), NCN explained: “To help protect charitable nonprofits and the generous donors who support them, the National Council of Nonprofits and its network of state and regional associations of nonprofits have published four principles for ethical online fundraising platforms: Nonprofit Consent; Transparency; Partnership; and Accountability.”

See also NCN’s [New National Principles Aim to Protect Nonprofits and Donors from Unethical Online Fundraising Practices](#) (June 24, 2026): “Each year, millions of Americans donate to and volunteer with the charitable nonprofits making a difference in their communities. Many turn to online fundraising platforms to give—but many of these platforms operate without nonprofit consent and in other ways counter to the needs of nonprofit organizations.”

NCN is asking [nonprofits nationwide](#) to: (i) endorse these Principles; (ii) share them with the organizations in their own communities directly and through social-media posts; and (iii) urge “urge online fundraising platforms to operate ethically.”



This important publication and awareness campaign did not spring up out of the blue. It has moved front and center most particularly because of additional developments in a story we told you about in the fall of 2025 and updated in March 2026.

The GoFundMe Etc. Scandal

Throughout 2025, major charitable fundraising platforms – including most notably, the powerhouse GoFundMe – had been collecting “donations for nonprofits without their knowledge or consent, sometimes counter to state or local laws, generating millions in fees and tips in the process.”

Last autumn, we wrote about this explosive controversy in *Another Headache for America’s Charities* (October 22, 2025) *FPLG Blog*. NCN’s June 23, 2026 post summed up this troubling, widespread – and ongoing – practice: “Some use incorrect or outdated information that misrepresents a nonprofit’s brand and mission. Others charge hidden fees or set excessive platform ‘tips’ as the default. Too often, these platforms insert themselves between charities and their donors—making it harder to build the long-term relationships upon which nonprofits depend.”

GoFundMe responded at the time that it would remove the problematic pages and generally “do better.” In our October 22, 2025 post, we described the back-and-forth in those tense days, including: (a) an announcement, via her LinkedIn account, by Diane Yentel, CEO of the National Council of Nonprofits, and (b) responsive communications from the CEO of GoFundMe, about “successful negotiations.”

“Above all,” we emphasized in our October 22, 2025 post, “there is near-universal exasperation that the nonprofit sector – already under unprecedented stress – now has this additional worry and time-consuming mess to clean up.”

“Cleanup on Aisle 5”: The Multistate AG Demand

The mess was not, in fact, cleaned up. See our follow-up reporting earlier this spring: *Update on GoFundMe Controversy: State Charity Regulators Demand Answers and Action* (March 6, 2026) *FPLG Blog*.

Although GoFundMe had “apologized and promised to immediately reverse and remove any unauthorized links and materials,... many many 501(c)(3)s continued to experience problems over the next several months.”

In *GoFundMe Multistate Letter*, [7 pp. PDF] (March 3, 2026), a bipartisan coalition of 23 state attorneys general and other charity regulators expressed their concerns about GoFundMe’s “... creation of donation web pages for more than 1.4 million charities without their prior knowledge or consent.” These officials explained: “The charities whose identities were taken by GoFundMe were unable to control their fundraising and brand. The unauthorized pages also created donor confusion, deception, distrust, and conflicting messaging.”

See also, for example, *Bipartisan Group of State Attorneys General and State Charity Regulators Send Letter to GoFundMe: Implications for Charities and Companies* (March 11, 2026) *Client Alert*, *Crowell & Moring LLP*: “The States identified several specific harms arising from the unauthorized fundraising including (1) the display of inaccurate charity information, (2) failure to disclose the



donor-advised fund structure, (3) false impression of charity affiliation, and (4) the application of a default ‘tip’ that went directly to GoFundMe. The letter warned of various potential violations under state charitable laws and consumer protection laws including the lack of required consent from the charities, deceptive or misleading conduct, and insufficient or omitted disclosures.”

The attorneys general and other state charity regulators demanded immediate proof of compliance from GoFundMe as well as explanations of the “takedown procedures” and “how it has modified its search engine optimization practices to ensure that the charities’ fundraising campaigns or websites are not disadvantaged.”

See similar reporting: *Attorneys General Seek Info From GoFundMe On Web Pages* (March 9, 2026) *The NonProfit Times*; and *State AGs demand proof that GoFundMe has removed reported plagiarized campaigns for charities* (March 3, 2026, 8:11 pm EST), *WPXI.com TV (Pittsburgh)*

“GoFundMe was given 14 days from the date of the letter, March 3, 2026, to respond, and also told that “investigative requests from interested states are forthcoming.”

The GoFundMe Response

The Chief Legal Officer of GoFundMe, Kim Wilford, sent the official response [9 pp. PDF] dated March 13, 2026, to California’s Attorney General, Rob Bonta (although the “lead” regulator on this matter is Pennsylvania’s AG Dave Sunday).

In *GoFundMe Responds to Multistate Inquiry on Nonprofit Pages* (March 19, 2026) Amanda L. Cole, NonProfit PRO’s editor-in-chief, provided a helpful summary and analysis of the key points in this GoFundMe response. “Amid growing regulatory scrutiny of third-party fundraising platforms, GoFundMe has publicly responded to an inquiry from multiple state attorneys general about its nonprofit donation pages.*** The response offers the most detailed explanation to date of how GoFundMe views its role in facilitating charitable donations — and where it disagrees with regulators’ concerns.”

Ms. Cole elaborated: “In the response dated March 13, the company addressed concerns about how it originally created and managed nonprofit pages using publicly available data. The company pointed to changes it made in October 2025 — including shifting nonprofit pages to an opt-in model and blocking search engines from indexing those that are authorized — as evidence that it has already addressed many of the concerns that regulators raised.”

Amanda Cole’s excellent reporting and commentary continued: “‘By way of background, unclaimed nonprofit pages were initially introduced as part of a good-faith effort to support charities’ fundraising by facilitating access to GoFundMe’s tools and donor community,’ Kim Wilford, chief legal officer at GoFundMe, said in the letter. ‘GoFundMe has since modified this approach, and nonprofit pages are now created only with a charity’s affirmative opt-in.’”

Ms. Cole pointed out Kim Wilford’s creative (aka head-scratching) argument that GoFundMe’s activities had complied with California’s landmark charitable crowdfunding law, Assembly Bill 488, which – GoFundMe’s legal advisor asserts – ‘permits charitable fundraising platforms to facilitate donations to nonprofits without affirmative opt-in, subject to appropriate safeguards,’ [adding] ‘One



of the purposes of AB 488, of course, was to create legal guidance for online platforms to facilitate fundraising for public charities.”

Amanda Cole noted further: “That was one example in which the company said it disagrees with some of the regulators’ concerns”: ‘While we respectfully disagree with certain legal and factual characterizations in the [state regulators’] letter, we remain fully committed to transparency, donor protection, and compliance with applicable charitable solicitation and consumer protection laws.”

Note that, over several years, California had spent an enormous amount of time and care in developing its landmark, first-in-the-nation, charitable crowdfunding platform rules – without imagining and legislating around this particularly brazen scheme. See [Charitable Crowdfunding: Then and Now](#) (May 5, 2021) *FPLG Blog*.

Note, also, that Hawaii has a brand-new [charitable crowdfunding law](#) that “mirrors” California’s. Enacted last year, it took effect just a few days ago on July 1, 2026. See [States Eye New Regulation Of Fundraising Platforms](#) (July 10, 2025) Karen I. Wu, Esq., Perelman & Perelman, *The NonProfit Times*; and [Hawaii Follows California: What the New “Charitable Fundraising Platform” Rules Mean for Online Giving](#) (July 25, 2025) Sonia Nigam, *getchange.io.blog*

The Alaska Lawsuit

The State of Alaska did not join the 23 state charity regulators in pursuing the “strongly worded letter” route.

In [The Plot Thickens: Alaska Takes GoFundMe and Others to Court](#) (March 11, 2026) *FPLG Blog*, we reported that, on March 10, 2026, the Last Frontier State filed [six related lawsuits](#) in state court against defendants GoFundMe, PayPal Inc., Charity Navigator, JustGiving, Pledgeto, and Network for Good.

The link for the six lawsuits is [here](#). The Alaska Attorney General issued a press release that same day. See [Attorney General Stephen Cox Sues FinTech Companies for Impersonating Alaska Nonprofits’ Identities and Deceiving Donors](#) (March 10, 2026) *Press Release*, [law.alaska.gov](#): “The lawsuits allege that these companies used publicly available data to generate fundraising pages for over a million nonprofits—including several thousand in Alaska—and then solicited donations through those pages without first obtaining permission from the charities themselves.”

“Alaska law is clear: if you’re going to raise money in a charity’s name, you must [first get the charity’s consent](#). These lawsuits are about protecting donors, protecting nonprofits, and preserving the public trust that makes charitable giving possible.”

Alaska officials had taken note last fall of the unfolding news reports about GoFundMe and others. The Consumer Protection Unit within the Attorney General’s Office investigated further, revealing that [“additional crowdfunding platforms have engaged in similar conduct](#), creating unauthorized fundraising pages for Alaska charities. Investigators identified multiple platforms hosting pages that appeared to represent Alaska nonprofits—even though the nonprofits themselves had never authorized the pages or agreed to allow those platforms to solicit donations on their behalf.”



“By ignoring the Charitable Solicitations Act and the Alaska Consumer Protection Act, these groups have failed to provide transparency to charities and donors. The State’s lawsuits seek court orders requiring the companies to remove any unauthorized donation pages for Alaska charities, along with civil penalties for each violation of Alaska’s Unfair Trade Practices and Charitable Solicitations Acts.”

There was a request for injunctive relief as well in the Complaints’ prayers, but apparently no such relief has yet been granted.

For additional background information and commentary, see:

- [Alaska sues GoFundMe, PayPal, others over thousands of unauthorized charity pages](#) (updated March 11, 2026, 5:38 pm PDT) Lars Hanson and Joe Allgood, [alaskanewssource.com](#) [“The lawsuits allege violations of Alaska’s Charitable Solicitations Act, which the state says requires fundraisers to obtain consent before raising money for a charity, as well as the Alaska Consumer Protection Act.”]
- [Alaska Sues 6 Crowdsourcing Fundraising Platforms](#) (March 11, 2026) Paul Clolery, *The NonProfit Times*
- [Alaska accuses crowdfunding websites of violating law, using charities’ names without their consent](#) (March 13, 2026) James Brooks, *Alaska Beacon*. [Based on the 1993 statute requiring state registration for “anyone who seeks donations on behalf of a charity,” Alaska seeks an order that the defendants shut down the pages devoted to Alaska nonprofits, immediately disburse any money collected, and pay “separate civil penalties ... of not less than \$1,000 and not more than \$25,000 per violation.”]
- [Alaska Sues 6 Fundraising Platforms Over Unauthorized Nonprofit Donation Pages](#) (March 19, 2026) Amanda L. Cole, Editor-in-Chief, *NonProfit PRO*

Donors Want Transparency

According to Paul Clolery of *The NonProfit Times*, “[w]ith giving platforms recently in the sights of state attorneys general” for “listing charities for donation without consent..., [d]onors who know of the issue don’t like it either, the data shows.” See [Donors Want Giving Platforms To Be Accurate, Transparent, Consent Of Charities](#) (June 16, 2026). “When asked to choose between donation platforms that include only charities that have explicitly agreed to participate and platforms that include as many charities as possible, more than half (55%) among giving platform users and 53% overall prefer platforms that list only charities that have agreed to be included.”

In connection with its recent publication of the [Principles for Ethical Online Fundraising Platforms](#), the National Council of Nonprofits reports that “hundreds of online fundraising platforms [continue to] collect donations for nonprofits without their knowledge or consent, sometimes counter to state or local laws, generating millions in fees and tips in the process. Some use incorrect or outdated information that misrepresents a nonprofit’s brand and mission. Others charge hidden fees or set excessive platform ‘tips’ as the default. Too often, these platforms insert themselves between charities and their donors—making it harder to build the long-term relationships upon which nonprofits depend.”

Conclusion



Circling back now to the lead story – namely, NCN's new [Principles for Ethical Online Fundraising Platforms](#) – it's not hard to see why the shenanigans by GoFundMe and other major crowdfunding entities represent continuing and substantial threats still unresolved by attorney-general letters or state lawsuits.

The road forward (in the near term, pending developments by state regulators or by the courts) includes reliance on enforcement under preexisting charitable-solicitation rules and consumer-protection statutes, voluntary cooperation by the platforms, pressure from donors, and vigilance by the nation's charitable organizations.

With respect to that last factor, The Forsaker Group, a member of the National Council of Nonprofits representing Alaska, has some thoughts about precautions and safeguards. See [Ensuring Donor Trust – How to Communicate about Crowdfunding Websites](#) (May 11, 2026) "Nonprofit Alert: Unauthorized Fundraising," *The Forsaker Group*. Similarly, see [National Council of Nonprofits Outlines Rules For Fundraising Platforms](#) (June 29, 2026) Richard H. Levey, *The NonProfit Times*.

– Linda J. Rosenthal, J.D., FPLG Information & Research Director