

Some Charity Fraud With Your Hot Dog, Sir?

09.01.23 | Linda J. Rosenthal, JD



San Diegans woke up this past Monday morning to a disconcerting story on Petco Park's food-and-drink concessions operation.

No, it wasn't about the extortionate prices charged to sweltering spectators under the stadium's hot sun; that's old news.

The headline conveys the unfortunate situation in a nutshell: *Nonprofits Get a Cut of Petco Park Food Proceeds, But One of the Biggest Nonprofits at the Stadium Doesn't Exist* (August 28, 2023). Will Huntsberry, intrepid investigative reporter at *Voice of San Diego*, uncovered an almost decade-long con by two imposters who grabbed ten percent of the net sales designed to benefit legitimate local nonprofits.

Mr. Huntsberry explains: "Many Padres fans don't even realize when they buy a \$10 hot dog or a \$20 tall boy: Roughly 10 percent of the take at many stands is supposed to be donated to charity. Charities staff those concession stands at Petco Park and, in return, they get to keep anywhere from nine to 12 percent of the proceeds for their charity."

The Scam Uncovered

One group in particular, going by the name "Chula Vista Fast Pitch," runs "more stands than any other charity in the park, netting it potentially hundreds of thousands of dollars each year."

"Fastpitch is a version of softball." There used to be a tax-exempt youth softball league called "Chula Vista FastPitch," correctly spelled as one word. Formed in 2008, the real 501(c)(3) organization was duly registered with various government agencies. After several successful years of operation, though, the founders moved on and officially shut it down in 2014. The dissolution notice filed with the State of California is available online.

But two guys, only tangentially connected with Chula Vista Fastpitch back in the day, decided to steal the identity of the now-dissolved nonprofit. For nine years, they have successfully presented themselves to officials in charge of the Petco Park charity-concession program as authorized representatives of “Chula Vista Fast Pitch,” spelled incorrectly with two words on the Petco Park paperwork.

Remarkably, “[m]ultiple people familiar with the operation said it was an open secret that the charity doesn’t really exist.”

Something else that doesn’t seem to exist at our baseball stadium is any meaningful vetting process for organizations applying (or reapplying each year) to participate in this coveted program. See Monday’s VOSD article along with: The Fake Charity at Petco Park Has Also Been Working at Snapdragon Stadium (August 29, 2023); Fallout Over Fake Nonprofit Continues at Snapdragon Stadium and Petco Park (August 30, 2023); and More on that Fake Charity that’s Been Raking in Cash at Petco (August 31, 2023).

It was a years-long lucrative fraud perpetrated in plain sight. But it was exposed and shut down in less than a week.

Much More Than Chump Change

How lucrative was participation in this program?

It involved the potential for big bucks – and not just at home baseball games at Petco Park. There are also year-round concerts and special events. And the program expanded recently to include the food-concession operation at the San Diego State Aztecs’ new Snapdragon Stadium.

“At Petco,” Will Huntsberry points out, “Chula Vista Fast Pitch brought in \$3.7 million in net sales over a five-month period earlier this year, according to receipts obtained by Voice. Charities generally get roughly 10 percent of their net sales at Petco. Ten percent of \$3.7 million is \$370,000.”

Extrapolating these figures over nine full years, at multiple venues, and including special events, Chula Vista Fast Pitch likely took in huge sums of money that should have gone to a local charity in good standing and operating for the benefit of the community.

By the way, Mr. Huntsberry reminds us that this type of charity-concession-stand program exists all around the nation. So watchdogs in other locales may want to check out the situations at their own stadiums.

The News Connection

This is a story – sadly, not all that uncommon – of clear and substantial charity fraud easily committed against a backdrop of minimal or no oversight.

But there’s another nonprofit/charity angle here: that is, the welcome and burgeoning growth of independent, nonprofit news organizations around the United States. See – for example – the National Trust for Local News, the Institute for Nonprofit News, and the American Journalism Project.

See also: [*The number of nonprofit digital newsrooms grew again in 2022*](#) (May 24, 2023) Sarah Scire, Nieman Lab; [*The State of Nonprofit News*](#) (8 pp. PDF, May 23, 2023), *Institute for Nonprofit News*; and [*Nonprofit news outlets are playing a growing role in statehouse coverage*](#) (April 29, 2022) Naomi Forman-Katz et al, *Pew Research Center*.

Voice of San Diego is, and has been, a local treasure since 2005. It was the “[first, digital, nonprofit news organization in the country](#) to serve a local community....[T]he region desperately needed more reporting, analysis and journalistic competition” and has successfully met that need. (Full disclosure: I’m a “member” and enthusiastic fan.)

As one of the 425+ organizations affiliated with the [*Institute for Nonprofit News*](#), VOSD “is widely regarded as a pioneer in the nonprofit news industry that has built a sustainable business model based on the support of individual members, sponsors and the investment of local and national foundations.”

These independent nonprofit news outlets are particularly valuable – and valued – against the chaotic backdrop of what’s happening with the nation’s for-profit media and news outlets, including in the major, most populous, markets. That’s certainly been the case with the *San Diego Union-Tribune*, which has changed owners five times since 2009, most recently this summer. See [*The San Diego Union-Tribune sold to Alden Global Capital*](#) (July 12, 2023). This event has resulted, as predicted, in the rapid and scandalous decimation of the U-T newsroom.

Needless to say, there hasn’t been a peep (yet) about this Petco Park charity-concession story in the *Union-Tribune*.

Note: September 3, 2023: See also [*Why All of Us Need to Give to Nonprofit News Outlets*](#) (August 30, 2023) Brian Eule, *The Chronicle of Philanthropy* [“If less than half a percent of all private contributions went to journalism nonprofits, we could replace the loss of local newsrooms and strengthen democracy.”]

Conclusion

Apropos of absolutely nothing other than a bit of “we told you so,” there’s a colorful backstory – a philanthropy connection! – to the *San Diego Union-Tribune*’s most recent owner, Los Angeles billionaire, Dr. Patrick Soon-Shiong.

It’s in a profile we wrote a year before there was any hint of Dr. Soon-Shiong’s future acquisitions in 2018 of both of Southern California’s major newspapers. See [*Charity Shenanigans of the Billionaire-Philanthropist Doctor*](#) (May 31, 2017) *FPLG Blog*.

Color us unsurprised that Dr. Soon-Shiong’s five-year *U-T* proprietorship hasn’t worked out all that well for our community and our most talented journalists.

— Linda J. Rosenthal, J.D., *FPLG Information & Research Director*