

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
1511 PONTIAC AVENUE
BUILDINGS 68 AND 69
CRANSTON, RI 02920**

IN THE MATTER OF:

FOCUS MARKETING GROUP, INC.,

RESPONDENT.

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DBR NO.: 08-S-0290

FINAL ORDER

Pursuant to R. I. Gen. Laws §§ 5-53.1-1 *et seq.*, and 42-35-14, the Director ("Director") of the Department of Business Regulation ("Department") hereby orders the permanent revocation of the Professional Fundraiser registration of Focus Marketing Group, Inc. ("Respondent FMG") based on Respondent FMG's decision to forego an administrative hearing. In response to several complaints received by the Department against Respondent FMG, an Emergency Order to Suspend Registration was issued on December 22, 2008 in response to several complaints received by the Department against Respondent FMG. Respondent FMG is agreeing to the revocation, without further hearing, consistent with the terms of this Order.

A. FACTS

The Department and Respondent FMG agree that the following facts are true with respect to entry of this Final Order:

1. The agreement to a permanent revocation of Respondent FMG's registration is voluntary and is conducted in lieu of pursuing any other administrative remedy.

2. Based upon several credible complaints received by the Department against Respondent FMG, an Emergency Order to Suspend Registration was issued on December 22, 2008.
3. Respondent FMG registered as a professional fundraiser in the State of Rhode Island pursuant to R.I. Gen. Laws § 5-53.1-1 *et seq.* on July 21, 2008, upon execution of a Consent Agreement with the Department and that registration was due to expire on June 30, 2009.
4. Respondent FMG conducted its professional fundraising activities at its office, which was located at 1481 Atwood Avenue, Johnston, RI 02919.
5. In a letter dated October 16, 2008 the Securities Division (“Division”) requested that Respondent FMG provide a written response within two (2) weeks with respect to information that the Division had that Respondent FMG entered into a contract with an unregistered charitable organization as required by R.I. Gen. Laws § 5-53.1-7(5) and that Respondent FMG failed to disclose to the Division the names of all its employees as required by the application.
6. Respondent FMG replied to the October 16, 2008 letter, cooperating fully with the Department and providing all information requested throughout the duration of this matter. The initial response to the Department’s letter was received on November 30, 2008.
7. In the November 30, 2008 response, Respondent FMG admitted to employing five unregistered professional solicitors.
8. Respondent FMG made untrue material statements in the application for registration in violation of R.I. Gen. Laws § 5-53.1-7(1).

9. Respondent FMG employed the five professional solicitors without registration with the Division in violation of R.I. Gen. Laws §5-53.1-7(9).
7. Respondent FMG entered into a contract with the Middletown Youth Football and Cheerleading, an unregistered charity, in violation of R.I. Gen. Laws § 5-53.1-7 (5).
8. On October 23, 2008, the Johnston Police Department (“JPD”) advised the Division that Respondent FMG solicited and physically collected donations from Rhode Island residents on behalf of the Firefighters Charitable Foundation (“FCF”), which has stated in a letter to the JPD dated October 23, 2008 that FMG does not have an agreement to solicit on behalf of FCF.
9. The JPD Incident Report identified Thomas Gity as an “Office Manager” for Respondent FMG when the officers arrived at Respondent’s location in Johnston on October 21, 2008. A criminal background check conducted by JPD on Mr. Gity revealed that he had several felony charges including “RICO, organized crime gambling, conspiracy, usuary [sic], embezzlement, forgery, and counterfeiting.” The report also indicated that several other employees also present at Respondent FMG’s location had criminal records.
10. On October 30, 2008 the Woonsocket Police Department (“WPD”) advised the Division that on October 30, 2008 they had witnessed and detained a Focus Marketing Group employee picking up a \$600.00 donation check made out to “W.F.C.F.” from a Woonsocket business owner and handing the business owner a receipt. The receipt for this donation to FCF listed the campaign call-back telephone number as a telephone number that belongs to Local Concern Group, a

professional fundraiser who terminated its registration with the State of Rhode Island on September 24, 2008 and whose contract to solicit for FCF was terminated on August 12, 2008.

11. Four (4) additional confirmed donation envelopes that were scheduled for check pick-ups by Respondent FMG's employee were also seized by the WPD. Three of the envelopes were solicitations purportedly on behalf of FCF by Respondent FMG. The fourth envelope was a solicitation by Respondent FMG for the Disabled Police Officers of America, a charity not registered with the State of Rhode Island and a charity FMG does not have a contract with in the State of Rhode Island.
12. On December 5, 2008 the American Cancer Society's Rhode Island office ("ACS") notified the Division that they had received six (6) complaint calls regarding phone solicitations on behalf of ACS. ACS learned that a consultant working with them had hired Respondent FMG to solicit for ACS without the knowledge, authorization and/or approval of ACS. On December 4, 2008, ACS issued a cease and desist letter to the consultant and Respondent FMG. ACS was not aware of, nor ever authorized a Rhode Island fundraising campaign with Respondent FMG.
13. On December 5, 2008 ACS notified the Division that ACS would be contacting the Rhode Island citizens who were solicited by Respondent FMG and explain to them that their donations were obtained fraudulently without ACS's knowledge or consent, and offer to return them.
14. The unauthorized solicitation activities by Respondent FMG described herein constitute a violation of R.I. Gen. Laws §5-53.1-7(2) (which prohibits "[e]ngaging in any illegal or fraudulent act, device, scheme, artifice to defraud or obtain

money by means of false pretenses or representation in connection with any solicitation for charitable purposes or any solicitation or collection of funds for a charitable organization.”)

15. On December 8, 2008 the Division received a complaint from a Massachusetts resident that alleges that they were issued a check by Respondent FMG for payment of services at a fundraiser that was returned for “Insufficient Funds.” This specific complainant alleged that numerous attempts via phone and in person to Respondent FMG for a replacement check had failed.
16. On December 15, 2008 the Warwick Police Department (WPD) sent the Division a copy of incident report #08-5941 involving Respondent FMG. This incident report indicated that on December 9, 2008, a Warwick business was solicited by Respondent FMG on behalf of ACS. After agreeing to contribute, the business contacted ACS to confirm the fundraising drive and were told by ACS that there was no fundraising drive in Rhode Island and ACS had no contract with Respondent FMG. On December 12, 2008, when a runner arrived on behalf of Respondent FMG at the Warwick business to pick up the check, the business called the WPD who responded and filed a report.
17. On December 16, 2008, Officer Timothy Benedetto, President of the Everett Police Betterment Association (“EPBA”) forwarded to the Division a copy of its application for criminal complaint against Ronald Webster, owner of Focus Marketing Group and Respondent FMG. The complaint alleges that Respondent FMG held a fundraising event on behalf of EPBA in August of 2008 and deposited all donations received into Respondent FMG’s operating account.

Respondent FMG then issued to EPBA a check drawn on Respondent FMG's account which was returned for insufficient funds on October 14, 2008. The complaint charges larceny by false pretenses and larceny over \$250.00.

18. On December 17, 2008 after speaking with the Division, the Portsmouth Police Department ("PPD") forwarded two (2) incident reports. Incident report #08-1824-OF involved a Portsmouth restaurant that was solicited on behalf of the Firefighters Charitable Foundation in September and then again in October of 2008. The restaurant owner contributed in September, but became suspicious of the second solicitation and filed a report with the PPD. The solicitation receipt given to the owner is an exact replica of the receipt taken from the runner acting on behalf of Respondent FMG in the Woonsocket Police Report. The second incident report #08-1758-OF states that on October 14, 2008, a Portsmouth resident was solicited for a donation for the Portsmouth/Middletown Youth Football from a woman who stated she was employed by Respondent FMG. The resident is affiliated with the Portsmouth Youth Football and Cheerleading organization and told the caller Respondent FMG was not authorized to collect donations on their behalf. A supervisor for Respondent FMG then got on the phone and stated they would correct the error.
19. The facts described herein constitute prohibited activity in violation of registration requirements of R.I. Gen. Laws § 5-53.1-1 *et seq.* and activity prohibited by R.I. Gen. Laws § 5-53.1-7(1), (2), (3), (4), (5), (6), (8), and (10).
20. Throughout the administrative investigation, Focus Marketing Group, Inc. has cooperated fully with the Department and has provided all requested information.

B. ALLEGED VIOLATIONS OF LAW

The preceding agreed upon facts implicate and evidence the following statutory violations:

1. Making any untrue material statement or failing to disclose a material fact in an application for registration or registration statement; proscribed by R.I. Gen. Laws § 5-53.1-7(1).
2. Fraudulently or otherwise illegally obtaining money under false pretenses in connection with any solicitation conducted on behalf of a charitable organization; proscribed by R.I. Gen. Laws § 5-53.1-7(2).
3. Failing to apply contributions in a manner substantially consistent with either the stated solicitation statement or registration statement of the charitable organization; as proscribed by R.I. Gen. Laws § 5-53.1-7(3).
4. Knowingly entering into a contract or agreement with, or otherwise employing any unregistered professional fundraiser or solicitor; as proscribed by R.I. Gen. Laws § 5-53.1-7(4).
5. Entering into a contract or agreement to fundraise on behalf of a charitable organization that is required to register in Rhode Island, when the professional fundraiser either knows or should have reasonably known that the charitable organization was not registered; as proscribed by R.I. Gen. Laws § 5-53.1-7(5).
6. Failure to file as required by R.I. Gen. Laws § 5-53.1 *et seq.* a fundraising contract; as proscribed by R.I. Gen. Laws § 5-53.1-7(6).
7. Soliciting contributions on behalf of a charitable organization without having a written contract or agreement with such charitable organization authorizing

solicitation on its behalf; as proscribed by R.I. Gen. Laws § 5-53.1-7(8)(ii).

8. Failure to maintain books or records in accordance with R.I. Gen. Laws § 5-53.1-5; as proscribed by R.I. Gen. Laws § 5-53.1-7(10).

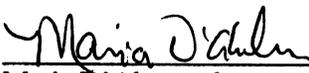
ORDER

THEREFORE, based on the above facts and alleged violations of law, it is hereby ORDERED that:

1. Respondent FMG's registration as a Professional Fundraiser is permanently revoked;
2. Respondent FMG shall continue to cease and desist from engaging in any activity pursuant to R.I. Gen. Laws § 5-53.1-1 *et seq.*

CONSENTED TO AS TO FORM AND SUBSTANCE BY:

FOCUS MARKETING GROUP, INC.



Maria D'Alessandro
Associate Director


BY: Respondent, RONALD WEBSTER, PRESIDENT

[AT THE REQUEST OF THE RESPONDENT, THIS MATTER WAS RESOLVED AFTER THE ISSUANCE OF THE EMERGENCY ORDER BUT PRIOR TO THE APPOINTMENT OF A HEARING OFFICER.]

AS ORDERED BY:



A. Michael Marques,
Director
Dated this  day of January 2010.

Order No.: 10-023

NOTICE OF APPELLATE RIGHTS

THIS ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, A FINAL ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS. BY SIGNING THIS CONSENT ORDER, RESPONDENT HAS WAIVED THE APPELLATE RIGHTS STATED HEREIN.

CERTIFICATION

I hereby certify that a copy of this Final Order was mailed to Respondent by regular and certified mail, return receipt requested, and to Respondent's counsel by facsimile, regular and certified mail, return receipt requested on February 16, 2010 at the following addresses:

Mr. John S. Petrone, Esq.
145 Phenix Avenue
Cranston, RI 02920

Mr. Ronald T. Webster
Focus Marketing Group, Inc.
1481 Atwood Avenue
Johnston, RI 02919

Mr. Ronald T. Webster
11 Woodcrest Drive
Johnston, RI 02919

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