

SCAM: “VETERANS SUPPORT ORGANIZATION” or “VSO”

Email: Posted February 28, 2011

To: National Commander's of the Following:

Veterans of Foreign Wars
The American Legion
Disabled American Veterans
The Reserve Officers Association
Military Order of the World Wars
Catholic War Veterans of America
National Rifle Association

From: Steve Udovich, Member of all of the above organizations

Subject: Request for Action Concerning a Fraudulent Organization

I would appreciate it if you would direct a member of your staff to look closely at the recent actions of an organization called The Veterans Support Organization, (VSO). You may or may not be aware of this group and its practices and the level of fraud they perpetrate on our sympathetic and unsuspecting public. It is my hope that after reviewing this letter, you will join me in getting the word out to all of our fellow citizens so we can stop them and their fraudulent practices.

Please don't allow this letter to find its way to the trash can. Please put a staff member on this task to review VSO practices and then devise a means of informing our members and the public through our magazines, news ads in major papers, on line media, face book, twitter, and even Public Service Announcements. Further, please use your influence to make the Veterans Administration aware of VSO, since VSO often describes themselves as a “partner of the VA”.

Some basics on VSO:

1. They are headquartered in Florida and are active in 17 states.
2. They collected \$2.6 million in 2009 and expect to collect about \$11 million this year.
3. They are facing a fine of \$50,000 in Tennessee for fraud.
4. They are most active in Florida, Pennsylvania, New York, and Rhode Island.
5. They were the subject of a very detailed report by Fox News in New York, which earned them a place on the Alan Diaz Wall of Shame, (www.myfoxny.com). You can find the story about VSO at this site, I recommend you review it, it is quite detailed.
6. Their primary tactic is to get so called “homeless vets” to stand in front of shopping stores and ask for donations. These same men are then allowed to keep 30% of what they keep. As I have found first hand, and others have found, some of the guys are not even Vets, by their own admission. This was the case for me when I asked them about their service record, (they were collecting donations at the Acme Market in Newark, DE).

7. VSO had a store front operation on Chester Pike in Prospect Park, PA. I visited the site and talked to the guys there who identified themselves as VSO employees. They told me about how they allow the “work program” guys to keep 30% of all they collect. They call this a work program, and they call the guys on the detail, employees, but do not issue W-2’s or 1099’s, (the guys I asked did not know anything about this practice).

8. Their Director of Treatment, Jack Bittleman, who I spoke to on the phone once, is a convicted felon, and has a record, according to Fox News, in 4 states.

9. Their leader, Richard Van Houtan, who I met, was unable to produce a DD 214 when I asked him for one. This request was made when he approached me as a means of getting information on the best sources of Veterans support in the Delaware and Philadelphia area.

Note: I run a very successful program called Warrior Weekend. Van Houtan likely saw me as a means of getting information on whom best to talk to in the area. My website, WWW.WARRIORWEEKEND.COM. Please note that I am not associated with the Wounded Warrior Project or the Warrior Foundation.

10. Van Houtan reported income of about \$240K last year.

11. They publish information that states they have given much money to the Veterans Administration and touts their “partnership with the VA”.

12. A look at their numbers will lead any reasonable person to conclude that a lot of money is going to administrative costs and salaries, according to the Fox News report.

13. They are siphoning money from legitimate Veterans groups, they prey on a patriotic yet unsuspecting public, and they must be stopped.

Please. Don’t tell me how concerned you are, yet that you fear some kind of legal action. These guys are a fraud, they need to be stopped, and we have the means to do so. We have accountants, lawyers, and the ability to contact the right people at the national and state level to de-rail these guys once and for all.

Please make it a point to give VSO a hard look and then devise some tactics to inform our members, and more importantly, the public. I’d like to see some expose articles in our magazines, some traffic from the National and State level, and even some PSA’s on radio over the next year.

I would also appreciate it if you would have a member of your staff complete an IRS Information Referral on IRS form 3949-A, (the form one uses to report suspected IRS violations). Maybe we can get the IRS to give VSO a hard look. My guess is that they are not issuing W-2’s or 1099’s to their employees.

Bottom line: There is a whole lot of money being given to VSO by an unsuspecting and patriotic public. The guys taking the donations are part of a huge fraud that must be stopped. Our organizations have a duty and responsibility to examine and report.

Please help me; I can’t do this on my own.

Thanks, Steve Udovich
U.S. Army, Lieutenant Colonel (ret)