

November 10, 2009

Via Facsimile (520) 573-4107 and First Class Mail

Joe Burchell
Arizona Daily Star
(4850 S. Park Avenue)
P.O. Box 26807
Tucson, AZ 85726-6807

Re: The Giving Tree

Dear Mr. Burchell:

The Giving Tree was the object of numerous stories in the Arizona Daily Star last week. On behalf of The Giving Tree, as a member of The Giving Tree Board of Directors, I am taking this opportunity to address those stories, the claims made in them, and the impression that the Arizona Daily Star gave the community about the Giving Tree.

What became The Giving Tree was founded in 1988, and has, for 21 years, sought to serve a growing and increasingly diverse population of homeless, desperate and destitute men, women, and children. It provides food boxes, thousands of hot meals, and a roof over the heads of hundreds of clients every year. It coordinates special events such as free medical and holistic screening and treatment by licensed physicians as well as alternative medical providers. It coordinates flu shots and TB testing for our most at risk population.

The charges made against The Giving Tree by the Arizona Daily Star were based on incomplete and incorrect information and were unnecessarily hurtful to The Giving Tree, its volunteers, and all those it serves.

As to the source of your information, it is always telling when people, who are in no danger of retaliation from a volunteer charitable organization, refuse to put their names to allegations, as many of your sources refused to do. (The Giving Tree is particularly sad, though that its former pastor, Tom Hill, chose to join in the criticism of the organization. Tom was the Giving Tree's sole pastor for more than a year. He did not bring any of concerns that you printed to our attention. Had he done so, and had there been any basis to his concerns, we certainly would have addressed them. We wish Pastor Tom only blessings in his separate charity efforts.)

As to the specific charges against The Giving Tree which appeared in the articles of Sunday and Monday of last week, the following are responses to the main charges:

- **\$1.4 million in "revenue"**. The statement that The Giving Tree received \$1.4 million in "revenue" (in 2007), to the extent it was meant to leave the impression that The Giving Tree receives \$1.4 million in cash contributions, is false. The Giving Tree must report all income both cash contributions and in-kind (non-cash) donations, such as food, clothing, motor vehicles, the value of donated use of real property, discounted rents, and other items sold or donated through the thrift shop and all property donated which is distributed directly to the Giving Tree clients. Donors are entitled to charitable giving tax write-offs for their donations, so The Giving Tree is required to report all property received as income. Cash contributions to The Giving Tree, as part of its revenue, is relatively modest.

- **Distribution of expired and potentially unsafe food**. The allegation that The Giving Tree has distributed expired and potentially unsafe food through its Compassion Hope Center has been the most damaging falsehood carried in the article. The Giving Tree does not distribute unsafe food, and no health inspection has ever found that, nor have we ever received complaints from those receiving the food that it was unsafe or unhealthy. The Giving Tree does distribute food which has passed its sell-by date as does nearly each charitable, surplus food distribution agency. When food passes its sell-by date, retail outlets cannot, by law, sell the food. They donate it either to local food banks which in turn distribute it to people through agencies like The Giving Tree or directly to The Giving Tree. Federal law, the *Bill Emerson Good Samaritan Food Donation Act of 1996*, specifically allows this because perishable food that is otherwise healthy, safe and usable would be thrown away, helping no one. The Federal Government wanted to encourage the donation of wholesome food and grocery products to nonprofit organizations for distribution to the needy. All of the food distributed under this law meets all quality and labeling standards imposed by Federal, State, and local laws and regulations even though the product may not be readily marketable due to appearance, age, freshness, grade, size, surplus, or other conditions. Unsafe food is never knowingly served, but is instead thrown out. This false allegation that The Giving Tree serves spoiled food has caused some regular donors of The Giving Tree to refuse to provide food to The Giving Tree for distribution, which in turn means that those in need of food who have in the past benefitted from the donations cannot receive it. This reckless charge was printed without a single piece of evidence to back it up.

- ***The reclaimed toys.*** Another inflammatory, baseless allegation which has been harmful was the claim in the article that The Giving Tree took back toys that had been given to children during the holidays. That is simply a reckless falsehood.

More than 6000 toys were distributed. Over the years, the media, public and many hundreds of volunteers observed, reported or participated in our toy distribution program. There is no factual basis to the charge that we took toys away from children.

- ***Services provided with minimal staff.*** The reporters assert that it is impossible for The Giving Tree to perform its work with so few staff. The Giving Tree has more than 500 volunteers a year. People from across the spectrum -- retired office managers, teachers, IT professionals, physicians, administrative assistants, dentists, and others -- give up their valuable time to help The Giving Tree do its work. The members of the Board of Directors, which is not *merely* an advisory board, are volunteers as well, giving a great deal of their personal time for the good works of this organization. No one in charge of this organization, including its Executive Director Libby Wright, takes a salary, or ever has. The goal of The Giving Tree has been to give out 100% of what it takes in for the benefit of its clients. This should be the goal of all charities.

We have been successful in running this charity with low overhead , which should be applauded, not demonized.

- ***Program Fee/Charges for Lodging:*** The Giving Tree is not a charity that gives hand-outs. Its goal is to give people a hand-up, and it tries to help them become self-sufficient, and become so with dignity and self-respect. Our experience has been that people take pride in paying their own way, at least in part, when they can. That sense of pride, when encouraged, helps lift people out of their current circumstances. That is why The Giving Tree states that it charges program fees, on a sliding scale, which includes charges for places to live. The Giving Tree does not always collect the money, however. If a client in need of help cannot pay, no money changes hands. When a client can pay, we feel it is their obligation to pay their way in part. When a client cannot pay at all or in full, we let the client donate time at the Thrift Store, or perform community service in exchange , which we feel serves the same purpose. That is simply our philosophy. It is not the philosophy of all organizations, but other well-known groups, such as Habitat for Humanity, also require sweat equity and even mortgage payments from their clients. Goodwill and The Salvation Army also run thrift shops which employ their beneficiaries. The Giving Tree charges from \$0 to \$400 per month in program fees, per family (not per person). Only 10% of clients pay the program fee at all.

● **Hoarding of diapers:** The allegations of hoarding diapers are false. The diaper boxes seen in The Giving Tree warehouse referred to in the article, were not in fact full of diapers. They had been emptied of the diapers, which had been distributed. Those boxes were used to store donated used clothing that had been collected for either distribution to the needy or for sale in the thrift shop. For many years, the Giving Tree has distributed thousands of donated diapers to needy families. Diapers are distributed to parents who come with their child (so we know the need is bona fide) and, if we have the needed size, diapers are freely donated to them. Again this was a reckless allegation, printed without proof.

● **Loss of federal Funds due to health code violations.** For more than 11 years, The Giving Tree has had a successful program to feed children when schools are closed. It was not until 2004 that the Giving Tree received any Government funds for this program. In 2008, we had problems with the bureaucratic requirements of the program. It was resolved amicably. In 2009, The Giving Tree Summer Feeding Program continued without any government funding. The Giving Tree complied with and passed all county health inspections.

● **Real Property Donated to The Giving Tree.** Much was made of the fact that Carlo Giovingo allows The Giving Tree to use real estate that he owns, or real estate for which he helped secure financing. Libby Wright is the Executive Director of The Giving Tree, and Carlo Giovingo is Libby Wright's husband. Carlo owns several properties which are used by The Giving Tree to help its clients. Carlo began donating the use of his properties because residential properties were needed to serve as lodging for The Giving Tree clients, but The Giving Tree did not have the resources to purchase property. Carlo was able to do so, and donates, for the most part, the use of his properties to The Giving Tree. The rates charged for the use of the properties are well-below market value, and the amounts collected from clients for the use of the properties is well-below market value as well. Carlo has, in 20 years, not made money on the use of these properties by any measure of reasonable market rates. The following list is of the property that The Giving Tree currently uses:

- Promise Home: owned by The Giving Tree

- Our Home: owned by The Giving Tree

- Angel Wings Home: owned by The Giving Tree; Carlo Giovingo provided financing for the property below market rate, and The Giving Tree pays the mortgage payments directly to the bank.

- New Life Home: owned by The Giving Tree.

- Compassion Hope Center: Owned by The Giving Tree, with a mortgage held by a national bank against an equity loan secured by Carlo Giovingo's personal residence.

- Grace Home: Owned by Carlo Giovingo, but held in trust for The Giving Tree which will own the home upon Carlo's death.

- Joy Home: Owned by Carlo Giovingo and leased to The Giving Tree at below market rates.

- Palo Verde property; Owned by Carlo Giovingo and leased by The Giving Tree at below market rates.

- La Casita Home: rent and utilities donated to The Giving Tree by another donor.

- Swan Road administrative offices: a portion of the rent is donated by the owner to The Giving Tree.

- Light House: leased by The Giving Tree at below market rents from another donor.

Mr. Giovingo owns less than a quarter of the properties used by The Giving Tree. He receives far less than the rental income he would receive if they were on the open market. Every dollar he could receive from these properties that he does not, is considered by The Giving Tree to be a donation to the good work of this organization. He is to be commended for it, not condemned. So are all of the donors.

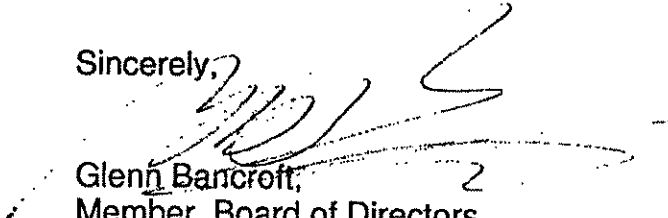
The stories you ran were based on insupportable allegations of people who for some reason have axes to grind and who desire to harm this organization. We hope that this information will more fully inform your readers as to what exactly is going on at The Giving Tree. We have always attempted to serve the community, and have done so by the sweat of our brows, through the labors of volunteers, and the kindness of southern Arizonans. Have we always done things perfectly well? No. Have we ever acted

improperly or with a goal to act improperly, absolutely not. Members of the public with an interest in helping Tucson's less-fortunate are always welcome to work with us. We look forward to many more years working in Tucson to help those who need a hand-up, not a hand-out.

Because of the claims made in the Arizona Daily Star article, many of our historical donors now question both The Giving Tree's motives and its practices. The only ones who are suffering as a result are our clients and potential clients who are the least able to suffer more. Because we want to assure the community and our donors that what we do is above reproach, we are engaging an independent auditing firm to fully audit our finances. The results will be made public. We hope to soon be engaging a community advisory board of prominent community members to serve as ombudsmen and advisors to ensure that we continue to be fully responsive to the population we have always served.

If the Arizona Daily Star has any other questions offered in good faith, we will do our best to answer them. We hope that this response will be printed, in its entirety.

Sincerely,



Glenn Bancroft,
Member, Board of Directors,
The Giving Tree Outreach Program, Inc.