

TOWING WOES

Vehicles donated to charity wind up in hands of crooks

BY DAVE SAVINI AND MICHELE YOUNGERMAN
WBBM-CHICAGO

Tracy Kaczynski thought she could help. She had an older car she no longer needed and decided to donate it to the Alzheimer's Association of Greater Illinois.

"It was stupid at the time, but I thought maybe donating this car could find a cure," says Kaczynski, who lost her mother to the disease.

But Kaczynski discovered after our investigation that she is one of thousands of people who donated cars to charities, only to have those vehicles, or the proceeds from them, diverted.

Specifically, our five-month undercover investigation with the *Naperville* (Ill.) *Sun* revealed what could

Surveillance and background checks

After we got the tip from the Irions, we started by conducting surveillance and background checks on the company that towed their car, O'Hare Kars. We searched for business licenses and police reports and conducted criminal and civil background checks on its owners.

We spent months watching vehicles being brought in and taken out of their tow lots, collecting vehicle identification numbers (VIN) and license plate numbers at night when the business was closed. Next, we ran these identifiers through an Illinois Secretary of State database and found the original owners/donors of the cars. We created our own database of donor names, VIN numbers, makes and models.

When we contacted these donors, we found out which charities were supposed to receive their cars, then called each charity. That's when we discovered neither the vehicles nor the proceeds ever made it to the organizations.

During this time, our civil litigation search helped us identify Royal Auto and Towing. We continued to build our database to determine how much money and how many vehicles were diverted from each charity.

We also checked Illinois charitable laws and found no one regulating these middlemen in Illinois and most other states.

be one of the largest car donation schemes in history. At least 4,238 donated cars, and a few boats, with an estimated value of more than \$2 million never made it to the charities. Instead, they allegedly ended up padding the pockets of convicted felons in Illinois.

The Alzheimer's Association of Greater Illinois might have been cheated from receiving proceeds from 189 vehicles, include Kaczynski's. Law enforcement officers believe there may be more than 200 charities victimized nationwide.

Deceptive practices

Towing companies act as middlemen for charities. In some cases, charities directly hire tow operators. In other cases, when a charity receives a call that someone wants to donate a car, it passes that information to an organization that handles car donation programs. That company in turn hires towing companies to pick up the car and either sell or scrap it. A portion of the proceeds are supposed to go to the charity. But officials say that was not always the case with two towing operators: O'Hare Kars and Royal Auto and Towing.

Kaczynski's car was towed by Royal Auto and Towing. Dwayne Ronczkowski of Royal Auto and Towing refused to comment, but our investigation shows he has numerous criminal convictions involving car titles, theft, deceptive practices and fraud. He is being sued for not sending payment to multiple charities involving 3,834 donated cars.

O'Hare Kars is run by convicted felon William Zuccaro and his son Joseph. William Zuccaro has a felony record that includes vehicle title fraud, stolen vehicles, theft, assaults and an illegal possession of firearm. We found he was operating an illegal car dealership without a valid business license. So far, our probe has linked at least 500 missing donated cars, worth an estimated \$250,000, to the Zuccaros.

One of those cars belonged to the original tipsters on this story, Janet

and Frank Irion. The couple donated their car to the Juvenile Diabetes Research Foundation.

Janet Irion, who has diabetes, says she was told the car was being sold for scrap and the proceeds would go to the charity. But she says a year later the car was found on a Chicago street loaded with drugs.

O'Hare Kars has been shut down by the Illinois Secretary of State's police force and is under investigation by several other state and federal government agencies. Joseph Zuccaro has been charged with operating as an unlicensed auto recycler.

Fred Serpe, an attorney for the Zuccaros, says his clients intend on making good on any monies outstanding to charities. He could not say when the Zuccaros would make payment.

Donation middlemen

Officials from the charities involved have stated they had no idea they were stiffed on payments until they learned of our investigation. In fact, we found at least 187 charities unknowingly using companies without valid business licenses run by convicted felons. These charities fired the tow operators involved and launched internal investigations into how car donation programs were being handled.

Police from the Secretary of State and the Illinois

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Tracy Kaczynski discovered after an investigation that she was one of thousands of people who donated cars to charities, only to have those vehicles, or the proceeds from them, diverted to middlemen for profit.



Police raid O'Hare Kars, which was accused of towing donated cars and not turning the proceeds over to the charities.

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After that, many officials wouldn't return phone calls. One district stood us up when we arrived for a meeting. And still others sent out pre-emptive e-mails to their teachers, residents or other members of the media in order to make our job more difficult.

Still, district officials that hadn't taken advantage of some of the practices we brought to light were receptive, and often complimentary. For them, acting responsibly had meant missing out on the hundreds of millions of dollars other school districts were reaping.

Since publication, school districts in our area have already begun giving taxpayers more information before voting on school construction loans. They now discuss the type of loans, for instance, or explain how quickly they plan to repay the money.

One district even revised their repayment schedule, saving their taxpayers about \$34 million over the next 20 years.

Jeffrey Gaunt has covered suburban school districts for the Daily Herald since 2003. Emily Krone joined the paper's business desk in 2005, before becoming an education reporter. Timothy Sheil came to the paper in 1998, working first as an assistant news editor, and later as an assistant city editor.

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Commerce Commission, as well as the Tri-County Auto Theft Task Force, have launched criminal and civil investigations. The evidence we collected, including our database, was presented to the Illinois House Judiciary Committee.

Further, Car Program LLC, which had hired both Royal Auto and Towing and O'Hare Kars for their Midwest vehicle donation collections, has filed a lawsuit against Royal Auto and Towing. After our investigation, they also have taken legal action against the Zuccaros for nonpayment on hundreds of donated cars dating to the beginning of 2005. Car Program officials would not comment on camera about why they did not inform the charities of the missing car donation proceeds.

Finally, this investigation led to a new law, signed by Illinois Gov. Rod Blagojevich on May 9. The law bans felons and anyone convicted of financial crime in the past five years from acting as vehicle donation middlemen and would require middlemen to be registered and file annual reports with the state.

Investigative reporter Dave Savini and investigative producer Michele Youngerman joined WBBM in 2004. "Good Gifts Gone Bad" has won a Peter Lisagor Award and the Chicago Bar Association's 2005 Herman Kogan Award.

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