



NASS

National Association
of Secretaries of State

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ISSUE BRIEFING: State Efforts to Combat Deceptive Business Compliance Solicitations

The Issue: Businesses in a number of states have been targeted by companies sending misleading or deceptive solicitation mailings purportedly notifying the business of actions it must take to comply with state recordkeeping, reporting, or other requirements. These mailings instruct the business to submit a fee for assistance in complying with the requirements, and often appear to be official government documents, giving businesses the impression they must respond to the solicitation in order to meet state requirements.

Despite a state or businesses' best efforts, these solicitations often reoccur each year in various forms across the country.

What are the common themes to look for in these scams?

While there a number of variations, the compliance services offered by the companies behind the scam solicitations are either not required, or can be done by the business itself directly through the appropriate state agency (often the Secretary of State) for a much fee smaller fee.

The three most prevalent inauthentic solicitations are the following:

- **Reporting Requirement Solicitations:** Instruct a business to submit a fee and complete what appears to be a government form in order to comply with periodic reporting requirements, even though businesses can file reports directly with the Secretary of State for a much smaller fee. [Here](#) is an example courtesy of the Indiana Secretary of State.
- **Certificate of Status Solicitations:** Imply the business needs to obtain a “Certificate of Good Standing” or “Certificate of Existence” and instructs the business to complete a form and pay a fee in order to obtain the certificate, even though a certificate (if needed) can be obtained from the Secretary of State for a much smaller fee. [Here](#) is an example courtesy of the Washington Secretary of State.
- **Annual Minutes Solicitations:** Instruct the business to complete and submit an “Annual Minutes Requirement Statement” and pay a fee, even though annual minutes are not required to be filed with any third party. [Here](#) is an example courtesy of the Colorado Secretary of State.

How can you help the public and your business community avoid falling prey?

The companies behind the mailings are often difficult to track down and businesses may have little recourse after falling victim to one these scams. This is because many solicitations include disclaimers in fine print disclosing that the services offered by the solicitation are not required. The language, however, is often obscured by the deceptive and misleading features of the mailing, including the similarity to government forms, statutory references, response deadlines, warnings for failure to comply, etc. Therefore, it's important for businesses to be aware these scams exist, know the services offered by these solicitations are not required or are unnecessary, and report any mailings that appear deceptive or misleading to the Secretary of State and state Attorney General (or other appropriate officials), the Federal Trade Commission (FTC), and the United States Postal Service.

Upon receipt of reports of misleading mailings, state officials should consider directly notifying the state's business community, coordinating with all relevant state agencies, issuing a press release, posting a notice on their website(s) and social media page(s) and consider holding a press conference if needed. NASS will maintain a listing of the press releases seen regarding this activity and make available to our members.

For additional questions on this issue, please contact NASS: (202) 624-3525 or jmilhofer@sso.org.