

## COMMENTARY

# Call Before Digging

*Using information on Web sites for prospecting? Be careful, and in some cases, stay far away*

BY BRYCE SANDERS

**T**HE INTERNET CAN BE A GREAT TOOL FOR FINDING WEALTHY prospects. However, not all information available on the Web is public. Be careful how you do your research. Take, for instance, lists of donors to political campaigns. Many Web sites provide access to this kind of “public” information. At these sites, you can view donors at the zip code level and see names, professions, contribution amounts, and even addresses.

Sounds like a gold mine, right? Wrong. Use of this data for prospecting purposes is illegal in most states. For example, in my state of Pennsylvania, the use of such lists is governed by Volume 25, Purdon's Statutes, Section 3249, subsection (d) of the state Statute book: “It shall be unlawful for any person to use the contents of any statement or report filed under this article for any commercial purpose whatsoever.” It's the law. Campaign or party officials can sue to enforce the law—and they do.

What about using databases of charitable institutions? Guidestar.com, a Web site produced by Philanthropic Research, Inc., was designed for potential donors to research non-profit organizations. Guidestar's site says it “gathers and distributes data on more than 850,000 IRS-recognized nonprofits.” That data includes financial information and, in many cases, even the names of the groups' board members.

But Guidestar did not design the site so financial advisors could prospect the organizations and board members. The home page includes this warning: “The Guidestar site is for personal, informational use only. Any other use, including resale of the information or use for commercial gain, is prohibited except in accordance with a Guidestar licensing agreement.”

Or let's say you're building a client base and are considering the thousands of people who attended your school as potential prospects. You figure you'll use the alumni directory. Think again.

Many schools restrict the use of this information. My alma mater (Stevens Institute of Technology in Hoboken, New Jersey) includes the following warning in its alumni directory: “using the addresses or other information contained in this directory for any private, commercial or political mailing is strictly prohibited.”

## The Legal Way

So are there other ways of finding financial information on nonprofits or alumni of your alma mater? Yes. Most cultural organizations publish annual reports (also called Records of Philanthropy or Reports to the Community). These are often public documents available for the asking from the organization. Many financial advisors are involved in the community through cultural activities. As you consider various organizations, request a copy of the annual report.

As for your old classmates, try contacting the alumni office. Some schools have allowed financial advisors to hold seminars exclusively for alumni and to feature the alumni association logo on the invitation. Most schools have alumni clubs in major metropolitan areas. The clubs often feature guest speakers at meetings.

## Leaving Tracks

If you're not scared off by the fact that it's illegal or expressly prohibited, you may not want to use such lists for another reason: you can easily get caught. Providers take steps to catch unauthorized users of their lists. The simplest technique is to “seed” the list with a few names that appear nowhere else. If mail arrives for that name, your contact information has been captured.

When you visit a Web site, you often leave evidence you were there, either by registering or by the use of “cookies,” electronic calling cards exchanged between your Web browser and many sites.

The Internet is a great source of information, but remember to tread carefully—and legally—and respect others' rights. **IA**

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