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Scam charity shut down for profiting from donations meant for orphans

Thedropsofhelp Ltd, a company that operated a sham charity collection business, has been ordered into liquidation in the High Court on grounds of public interest, following an investigation by The Insolvency Service, in collaboration with Trading Standards.

Thedropsofhelp, which was based in Beckton, east London, claimed to be a not-for-profit organisation and said it was fully licensed to carry out its operations, but the investigation found out that none of the money was given to charity.

The company delivered collection bags to households and claimed in the advertising on these bags and through its website [www.tdoh.org.uk](http://www.tdoh.org.uk), that it was collecting clothes and other items for the needy.

The adverts included a picture of a dishevelled child appearing to bite her nails and the statement: "The drops of help in your hands will support the poor families, orphans and asylums. Help them today, not tomorrow ..."

The company was run by Mr Vaidotas Puzas and his wife Mrs Asta Puziene, both of whom were banned for five years from acting as company directors in a recent, separate hearing (see note 6). According to Mrs Puziene their company's average turnover was around 15 tonnes of clothes per month.

The Court heard how, despite its claims, the company did not make a single charitable donation. Instead, the bags of clothes and other items it collected were shipped abroad and sold at a profit. The company even forged the fumigation certificates necessary to allow it to export clothes to certain countries.

Following the Court's winding up decision, Company Investigations Supervisor Chris Mayhew said:

"This company took shameful advantage of the public's charity thereby damaging genuine charities by taking items that may otherwise have been donated to them and by harming people's faith in giving altogether.

"The Insolvency Service has strong enforcement powers and we will not hesitate to use them to remove dishonest companies and their directors from the business environment as these uncharitable directors found out."

Ends

#### Notes To Editors

1. Thedropsofhelp Ltd was incorporated on 11 January 2010. The registered office throughout has been 17 Chichester Close, Beckton, London, E6 5QJ. The recorded directors are shown as Vaidotas Puzas (from 11 January 2010 to 1 January 2013) and Viktoras Zukauskas (from 1 January 2013 to present). The resignation of Mr Puzas and the appointment of Mr Zukauskas were both filed electronically on 14 January 2013. No secretary has been appointed.
2. The company's share capital is shown to be 100 ordinary £1 shares which were initially issued to Mr Puzas. On 14 January 2013 an annual return was filed made up to 11 January 2013 showing Mr Zukauskas as the sole shareholder with 100 ordinary £1 shares.
3. The grounds for winding up the company were that it made false and misleading statements and engaged in objectionable business practices; breached the Consumer Protection from Unfair Trading Regulations 2008, breached the House to House Collections Act 1939; failed to co-operate with the investigation and deliver up adequate accounting records.
4. The petition to wind up the company, which was unopposed, was presented in the High Court on 30 October 2012 under the provisions of section 124A of the Insolvency Act 1986 following confidential enquiries carried out by Company Investigations under section 447 of the Companies Act 1985, as amended.
5. On 23 October 2012 the company together with Mr Puzas and Mrs Asta Puziene pleaded guilty at Dartford Magistrates Court to 10 charges each under the Consumer Protection From Unfair Trading Regulations. These concern misleading actions and misleading omissions regarding statements on the bags delivered to homes of three Kent consumers and four relating to claims on the website including one relating to the false claim on the site "we are fully licensed to carry out our operations". The Magistrates Court referred the matter to the Crown Court for sentencing, commenting: "We find that this operation is highly organised and misleading to the public in the form of words and pictures of children used. We feel that our sentencing powers, limited to a fine in this Court, are not enough and we want this case therefore to go to the Crown Court."
6. On 21 December 2012 each of the defendants was sentenced at the Maidstone Crown Court. His Honour Judge Griffiths-Jones QC passed the following sentences on the defendants for what he described as "despicable" actions aimed at misleading the public.
  - Thedropsofhelp Ltd: £10,00 fine.
  - Mr Puzas: Two years imprisonment (suspended for two years), plus an order to complete 250 hours unpaid work for the community within the next 12 months. He was also disqualified with immediate effect from being a director of any company for a period of five years. He was also ordered to pay £31,000 costs.
  - Ms Puziene: Community Order to complete 150 hours of unpaid work within the next 12 months. She was similarly disqualified with immediate effect from acting a

director of any company for a period of five years.

7. Company Investigations, part of the Insolvency Service, carries out confidential enquiries on behalf of the Secretary of State for Business, Innovation & Skills ("BIS").

8. The Insolvency Service administers the insolvency regime investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. The Service also authorises and regulates the insolvency profession; deals with disqualification of directors in corporate failures; assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees; provides banking and investment services for bankruptcy and liquidation estate funds; and advises ministers and other government departments on insolvency law and practice. Further information about the work of The Insolvency Service is available from [www.bis.gov.uk/insolvency](http://www.bis.gov.uk/insolvency).

9. By virtue of the winding up order all public enquiries concerning the affairs of the company should be made to: The Official Receiver, Public Interest Unit, The Insolvency Service, 4 Abbey Orchard Street, London, SW1P 2HT. Telephone: 0207 637 1110 Email: [piu.or@insolvency.gsi.gov.uk](mailto:piu.or@insolvency.gsi.gov.uk).

10. You can now subscribe to get e-mail alerts from The Insolvency Service. To subscribe, go to our website <http://www.bis.gov.uk/insolvency/news> and you will see a button to "sign up for email alerts and newsletters", or click on this link and follow the instructions: <https://public.govdelivery.com/accounts/UKBIS/subscriber/new>.

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