

The Faux-Donor Curiosity, Revisited

06.30.24 | Linda J. Rosenthal, JD



At Florida A&M University's recent commencement ceremony "[regalia-clad administrators](#)" appeared on stage holding up one of those jumbo replica donation checks.

They announced a "stunning" gift of \$237 million: [the largest](#) in the history of Historically Black Colleges and Universities, and one of the largest given to any college or university ever." It was from a 30-year-old donor who [cast himself](#) as Texas' 'youngest African American industrial hemp producer" who achieved success after a difficult childhood.

Relatively unknown Gregory Gerami was there "[amid great fanfare](#)," having just delivered the keynote address to a thrilled crowd of graduating seniors and their families, alumni, and other members and supporters of this HBC community. See [Graduation surprise: FAMU gets record \\$237M gift from Batterson Farms CEO Gregory Gerami](#) (May 4, 2024, updated 9:09 pm ET), Tarah Jean, *Tallahassee Democrat*.

At a news conference following the festivities, FAMU President Larry Robinson remarked: "This gift is breathtaking in its generosity and its scope. It changes the narrative about what is possible for FAMU. I cannot thank Gregory Gerami and the Issac Batterson 7th Family Trust enough. Their [names are now etched into the annals](#) of Florida A&M University in perpetuity."

The chair of the University's Board of Trustees, Kristin Harper, "...held back tears as she pondered on the difference the financial gift will make in the lives of thousands of students. 'This is transformative, and it's [almost unbelievable](#). I have to pinch myself just hearing about this and thinking about how it will help the students FAMU serves,' Harper said."

As it happens, the Board chair had only just learned about this extraordinary fundraising coup that same day. She was right, though, about it being "almost unbelievable."

Within a few days, there were growing doubts, despite Mr. Gerami's assurances during the graduation speech that "the money is in the bank." But "...[i]t wasn't, and it may never be."

By the weekend, everything began falling apart. The entire tale unraveled in spectacular fashion. See FAMU President says donor gift on hold amid crisis of confidence (May 9, 2024, updated May 11, 2024) TaMaryn Waters, *Tallahassee Democrat*. The announcement about the mega-gift had "electrified the campus community before plunging the administration into a full-fledged crisis of confidence." See also FAMU says it's pausing processing of a \$237m donation amid questions about its validity (May 10, 2024) Lynn Hatter, *news.wfsu.org*.

There were red flags everywhere: some in plain sight; others easily discoverable by a cursory Google search.

By the end of May 2024, the reporting team at the *Tallahassee Democrat* had published nine articles on the unfortunate debacle. See State intervenes to oversee investigation of dubious \$237M gift to Florida A&M University (May 29, 2024) [includes a list of the May 2024 TD articles, with links] .

See also A mega-gift for an HBCU college fell through. Here's what happened — and what's next (May 24, 2024) Bill Chappell, *npr.org*; and Florida A&M, a dubious donor and \$237M: The transformative HBCU gift that wasn't what it seemed (June 14, 2024) James Pollard, *Associated Press*.

The Faux-Donor Phenomenon

The point of reporting on this sad episode is not to pile on the excruciating ridicule already endured by officials at Florida A&M University, but to emphasize that it's not an unheard-of event in philanthropy.

Even seasoned boards, senior staff, and veteran fundraisers are at risk of being taken in – at least for a while – by the tantalizing lure of a "transformative" contribution from an elusive but charismatic con artist.

In Think You've Heard Everything?: The Faux Donor (December 7, 2017) *FPLG Blog*, we discussed this phenomenon which had puzzled even as distinguished a philanthropy expert as Ruth McCambridge, then-editor-in-chief at *The Nonprofit Quarterly*.

In Hey, Buddy...Want \$100 Million? Faux Donor Takes PSU for a Ride (August 27, 2015), Ms. McCambridge reported on a close call involving Portland State University. That story from almost a decade ago bears certain striking similarities to the recent incident at Florida A&M University. The difference was that the planned public-announcement event – replete with pomp, fanfare, and special guests including Portland's mayor and Oregon's Governor – was called off ahead of the ceremony as disturbing facts about the donor and the gift emerged. As in Florida, much of this troubling information could easily have been discovered through routine background examinations and internet searches. But university officials had blown off many of the red flags in contravention of common sense and due-diligence norms and procedures.

So the recriminations and investigations began quickly behind closed doors. But the story tumbled out soon enough in the media. See for instance: [Portland State University tantalized by \\$100 million gift that vanished](#); and [Portland State's would-be \\$100 million donor's past includes bankruptcy, 'Orgy TV'](#). Both articles – and more – appeared in The Oregonian/OregonLive on August 21 and 22, 2015.

A Similar (But Smaller-Scale) Story

About a year later, the story of another educational-institution victim caught Ruth McCambridge's attention. See [High School Gets Stung by Deadbeat-High-Dollar-Donor Syndrome](#) (June 6, 2016) NPQ.

"A donor calling himself Juan Diaz Romero volunteered a \$1.5 million donation to Enterprise High School in Brooklyn," explained Ms. McCambridge. School officials made plans for several big-ticket purchases, including several class trips as well as technology upgrades. The Department of Education advanced funds to the High School, based on Mr. Romero's false promises. "But it turns out that the long history of 'Dr. Diaz' is short on donations but long on writing bad checks."

The \$1.5 million amount dangled in front of the Brooklyn high-school officials was much smaller, certainly, than the massive millions promised to Portland State and FAMU. But a high school's needs and normal revenue are smaller as well; in that context, \$1.5 million is not exactly chump change. It was large enough for officials to drop their guard.

"Should the school have done more due diligence?" wrote Ms. McCambridge, noting that this Brooklyn story "... reminds us of [the faux \\$100-million-dollar gift to Portland State University last year](#). At that time, we called it bizarre and pointless, and that one had many of the same markers as this one, so we are seeing the signs of a pattern."

She closed her article with this thought: "Maybe we all need to revisit those gift acceptance policies to save a lot of time and embarrassment."

More Faux-Donor Sightings

About a week later, *The Nonprofit Quarterly* published a related article by one of its contributors. See ["You're Just Too Good To Be True": The Many Odd Faces of the Faux Donor](#) (June 13, 2016) Robert L. Weiner.

Mr. Weiner, an experienced and well-connected educational-fundraising consultant, wrote: "The following stories were contributed by a reader and come from his network of colleagues. Some of the stories reflect small scams with a discernable purpose—others, not so much."

The article included a variety of examples of perpetrators who go around pretending to be philanthropists when they clearly don't have the wealth to carry it out. (See [our summary composites of these Weiner examples in our December 2017 blog post](#): The Grifter, The Grad, The Stalker, and The Classic.)

Curiously – in most of these instances, there's no apparent money motive. So Robert Weiner wanted to know more. He asked "...readers to share ... their own odd tales of faux donors (and even donors

that you thought were too good to be true but turned out to be real)....”

Conclusion

So, do we know more in 2024 than we knew or understood in the middle of the prior decade?
What’s up with these faux donors and their charades?

After all, it doesn’t work out well for any of the parties involved, not least the perpetrators of these strange bluffs. Are these situations – as Ruth McCambridge called them in 2016 – “bizarre and pointless” oddities defying explanation?

In any event, in 2024 – (despite the availability of Google searches and the well-established norms and rules requiring due diligence) – it’s still possible for a weird duck with equal parts charisma and chutzpah to make it up to that event stage with the jumbo donation check and cause (at least temporary) havoc.

The best antidote may be cautionary tales like the recent one in Florida.

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