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Nonprofit Ethics Case

Group: Aki Amai, Rakiya Witwer

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Prof. Marco Tavanti, Ph.D.

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Title

A Scout's Dishonor:
Boy Scouts of America's Moral Bankruptcy!

Summary

The Boy Scouts of America (BSA), an organization that prides itself on teaching ethical choices and honor code to its over 2.2 million youth members, has filed for bankruptcy court facing over 1700 abuse lawsuits. The decision to file for bankruptcy has gained harsh criticism from the public, while BSA claims this decision benefits the victims of the claimed abuses. This case study examines the BSA's handling of the abuse claims and its decisions to file for bankruptcy. We will discuss the ethical ways for BSA to handle the abuse claims as well as what consequences BSA should have.

Applications

- Ethical Leadership
- Social Responsibility
- Civic Responsibility
- Compliance
- Moral Conduct
- Public Trust

Outcomes

We hope that this case study will highlight the gross misconduct of a well respected nonprofit youth organization, by examining how Boys Scouts of America handled the allegations levied against it. This case study highlights that BSA violated its own moral and ethical code of conduct by filing for bankruptcy instead of allowing victims to have a voice. The organization shirked its civic and social responsibility of protecting young boys who trusted the organization. Boys Scouts of America violated public trust because the organization is using money that it received from the public donors to file and hide behind bankruptcy. The organization lacks transparency required in ethical leadership, because filing for Chapter 11 bankruptcy basically shut the door on any further investigations or disclosures. Boys Scouts of America filing for bankruptcy essentially robbed accusers of the opportunity to have their day in court.

Lastly, we hope this case will help the nonprofit community learn how to identify, understand and flag unethical behaviors in large powerful nonprofit organizations like BSA and have legislation in place to hold them accountable. Also, a recommendation would be to include local councils in the bankruptcy proceeding, to hold them accountable if they were aware of the abuse situation.

Video

<https://time.com/5785874/boy-scouts-bankruptcy-sex-abuse/>

Description

The Boys Scouts of America (BSA) is one of the largest youth organizations in the United States. It was founded in February of 1910. According to the organization's website, there are 2.2 million youth members between the ages of 5 and 21 and approximately 800,000 volunteers. Since its founding, more than 130 million young men and women have participated in the organization's youth programs and more than 35 million adults have helped carry out BSA's mission.

According to the organization's website, there are founding tenets which the members must abide by. It includes the **Scout Oath**: On my honor I will do my best to do my duty to God and my country and to obey the Scout Law; to help other people at all times; to keep myself physically strong, mentally awake, and morally straight. The **Scout Law**: A Scout is trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent and lastly **Scout Mission**: The mission of the Boy Scouts of America is to prepare young people to

make ethical and moral choices over their lifetimes by instilling in them the values of the Scout Oath and Scout Law. This foundation of scouting serves as a roadmap of how Boy Scouts of America has conducted itself since its inception over one hundred and ten years ago. For more than 100 years BSA programs have instilled in youth values found in Scout Oath and Scout Law which includes service to others, build confidence, try new things and reinforce ethical standards. It is with this as a backdrop that we submit to you BSA as a case study for unethical behavior.

On February 18th, 2020 the Boys Scouts of America filed for bankruptcy amid allegations of child sexual abuse and declining membership that has highlighted the depth of the problem and failure within the organization to handle it. According to USA Today, 800 people accused Boy Scouts of America of failing to protect them from sexual abuse. A lawsuit was filed on August 12th, 2019, this lawsuit claims that hundreds of scouts in recent months have come out with allegations of sexual abuse spanning eight decades and reaching nearly every state. This was in an effort to get some justice for plaintiffs who have kept silent over so many years and can no longer afford the emotional and psychological toll of what happened to them. Many of the alleged victims were silent because in many of the cases the abusers were in positions of power. Most of the accused tended to be of prominent stature within the community. They Volunteered as troop leaders and assistant troop leaders and were also police officers, members of the military, a mayor, teachers, doctors, and a child psychologist.

The lawsuit brought to the surface the attempt by BSA and the defendants to hide the nature and extent of the abuse which ranged from inappropriate touching all the way to sodomy on the extreme end of the spectrum. The organization was able to hide the extent of its pedophilia because the majority of claims of abuse by new victims were directed at pedophiles who had not yet been identified. Many of the cases were contained in a sealed document labeled as the "Perversion files". According to USA Today the perversion files which were released recently detailed the abuse of scouts by leaders from 1965 to 1985. The files which date as far back as 1944 has according to ABCnews.com the names of 7,819 scout leaders who allegedly preyed on young boys and over 12,254 victims of this abuse. It is in the midst of these mounting civil litigations and also ongoing speculation that the Boys Scouts of America filed for bankruptcy. The filing was done at a U.S. Bankruptcy Court in the state of Delaware.

The abuse lawsuits arguably forced BSA to file for bankruptcy, opening the organization to questions about its moral and ethical conduct in the way leadership chose to handle the situation. The conundrum is that BSA, an organization that built its reputation on promoting a moral code has broken that promise by filing for bankruptcy. There were disparate opinions on the organization's decision to file for bankruptcy. According to USA Today critics of the organization's Chapter 11 bankruptcy filing, say it's a dishonorable route for the nonprofit

because it has led to the proposal to pay the victims less than they would have received outside of the bankruptcy. On the flip side, defenders argue that it is an honorable step for the Boys Scouts to face up to its failures, find a path to compensating victims and stabilizing its finances.

There are implications for BSA bankruptcy filing, the biggest being that according to abusedinscouting.com the bankruptcy court will set a deadline for filing claims, accusers have approximately 6 months. This again calls to question BSA's decision to file bankruptcy because it is limiting how much time accusers have to file their claims. In an effort to minimize the financial loss, the organization is attempting to separate the national governing body from the local councils claiming that these local chapters were franchises. According to nytimes.com, Gilion Dumas, a lawyer who has represented 200 clients, in this case, argues that the local councils cannot be excluded because they are not independent organizations. She argues that many of the local councils were aware of the abuse and contributed to non-compliance of the organization by perpetuating institutionalized secrecy and failing to report the abuse to the law.

We conclude this case study with the understanding of the power dynamics at play. Boys Scouts of America is an American institution that has a billion dollars in assets and with that power and influence that allowed it to cover up more than 50 years of abuse. The organization violated several nonprofit codes of conduct including moral and ethical decision making, transparency and accountability. There is also a loss of public trust that has led to the reduction of scout memberships in recent years. This case study serves as an example of unethical behavior with the leadership of BSA and the hope remains that the organization can be restructured to allow better oversight and the victims are ultimately compensated for the damage it has done.

Questions

From a personal (leadership) perspective

- Is filing for bankruptcy the right ethical response for Boy Scouts?

From an organizational (nonprofit) perspective

- Should the BSA be allowed to continue operating after 1700 abuse lawsuits?

Systemic (sectors) perspective

- Should legislation be introduced that prohibits nonprofits from using bankruptcy as a bailout?

From one or more ethical perspective (theory)

- Is it ethical for Boy Scouts of America to use donor funds to settle lawsuits?
- In terms of accountability, who should be held accountable for the alleged abuse?

Resources

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