

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

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NPA 601: NONPROFIT ETHICAL LEADERSHIP  
Spring Semester / 2020  
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# 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.



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# Timeline

1910

1920

1935

1971

2007

2012

BSA  
formed

Began compiling reports  
of volunteer abusers  
“Perversion Files”

Admitted to  
removing  
thousands of  
abusers from the  
Boy Scouts

BSA admitted to  
destroying thousands of  
the perversion files if they  
were deemed “too old” or  
“outdated”

Explosion of lawsuits against  
BSA. Oregon Case resulted in  
an award of over \$19 million  
in damages to the plaintiff.

Investigators  
reviewed the  
perversion files to  
find 12,000 boys  
were molested by  
around 7,800  
abusers.



# Timeline

2017

Lobbies against “Child Victims Act” – legislation that would make it easier for child sex abuse victims to seek justice as adults.

2019

Statue of limitation changes. Survivors of childhood sexual assault will have more time to report abuse allegations and file lawsuits

2020

With thousands of lawsuits against them for child sexual abuse, the Boy Scouts of America filed for Chapter 11 bankruptcy, listing assets up to \$10 billion.

- Estimated assets of more than \$1 billion
- Local councils are legally independent, separate and distinct from the national organization.
- No local council assets are directly affected by the Chapter 11 filing because the local councils are not filing entities.



- ***What is chapter 11 bankruptcy?***

A chapter 11 debtor usually proposes a plan of reorganization to keep its business alive and pay creditors over time.

- ***What does chapter 11 means for BSA abuse survivors?***

1. the Chapter 11 bankruptcy process means that the bankruptcy court will set a deadline for filing claims, approximately 6 months or so. This deadline severely limits Scouting abuse survivors' time to file claims for their abuse.
1. The bankruptcy filing means that to reach a settlement with the thousands of Scouting abuse survivors across the U.S., individual survivors will not get their day in court. However, the streamlined nature of settlement process may mean abuse survivors will get the compensation they deserve more quickly and efficiently than having future individual trial dates.



**Jim Turley (national chairman)** : “ Boy Scouts were not trying to dodge responsibility for compensating them. Instead, he said, the organization wanted to do so as equitably as possible through a victim’s compensation trust.”



**BSA website** : BSA has a social and moral responsibility to equitably compensate all victims who were abused during their time in Scouting. We also have a duty to carry out our mission for years to come.

Scouting is safer now than ever before. Approximately 90% of pending and asserted abuse claims against the BSA relate to abuse that occurred more than 30 years ago.

**To the victims** : I want you to know that we believe you, we believe in compensating you, and we have programs in place to pay for counseling for you and your family by a provider of your choice.



## Compliance

- 12,000 boys were molested by around 7,800 abusers.
- Screening and referencing practices ----failing to protect the youths from abusers
- Youth protection policies

A ban on one-on-one contact between adults and youth – in person, online, or via text.

Prompt mandatory reporting to law enforcement of any allegation or suspicion of abuse.

- Maintaining Institutional Secrecy (Perversion Files)

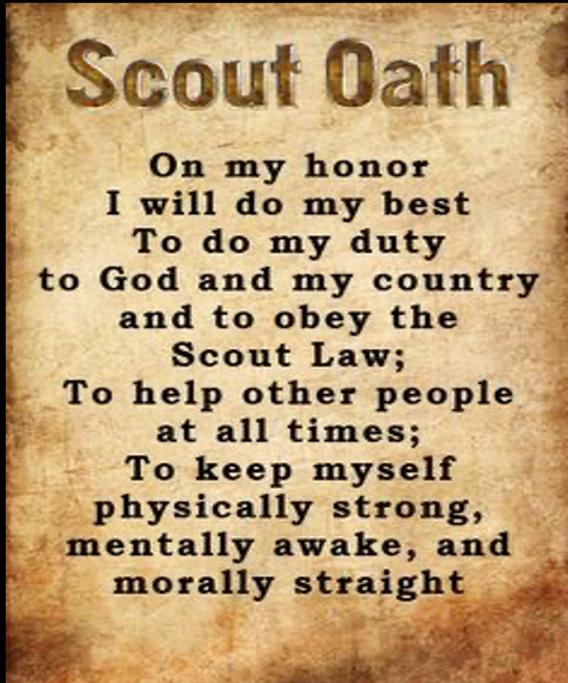


### SCOUT LAW

A Scout is trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent.



# Individual Responsibility

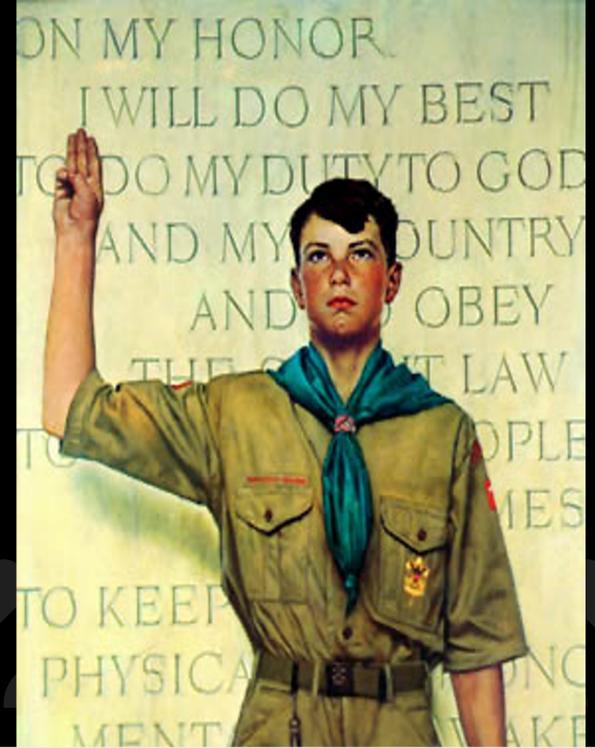


- Responsibilities of the witnesses
- Breaking the honor code
- What would you do if you are hired as a new executive director of BSA? What is the ethical response to this situation?



# Organizational Responsibility

- Stricter child protection policies
- Responsibilities of local chapters
- Lack of transparency
- Better communication between national body and local chapters

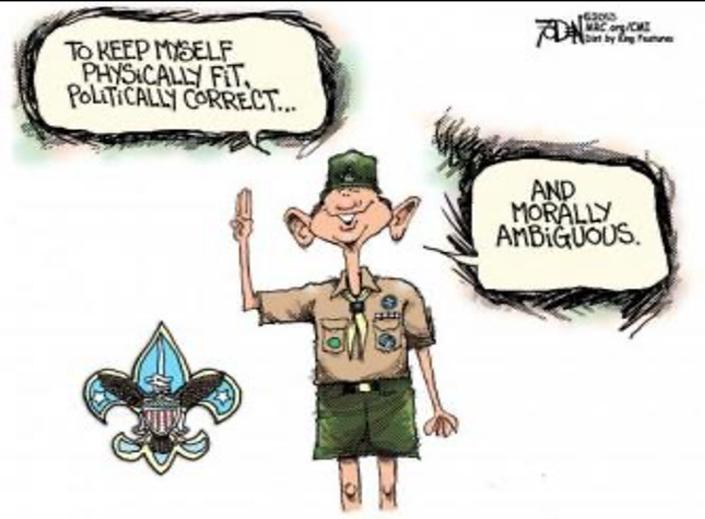


**I am sorry. I am devastated that there were times in the past when we failed the very children we were supposed to protect. we didn't do enough to protect the children in our care – to protect you.**



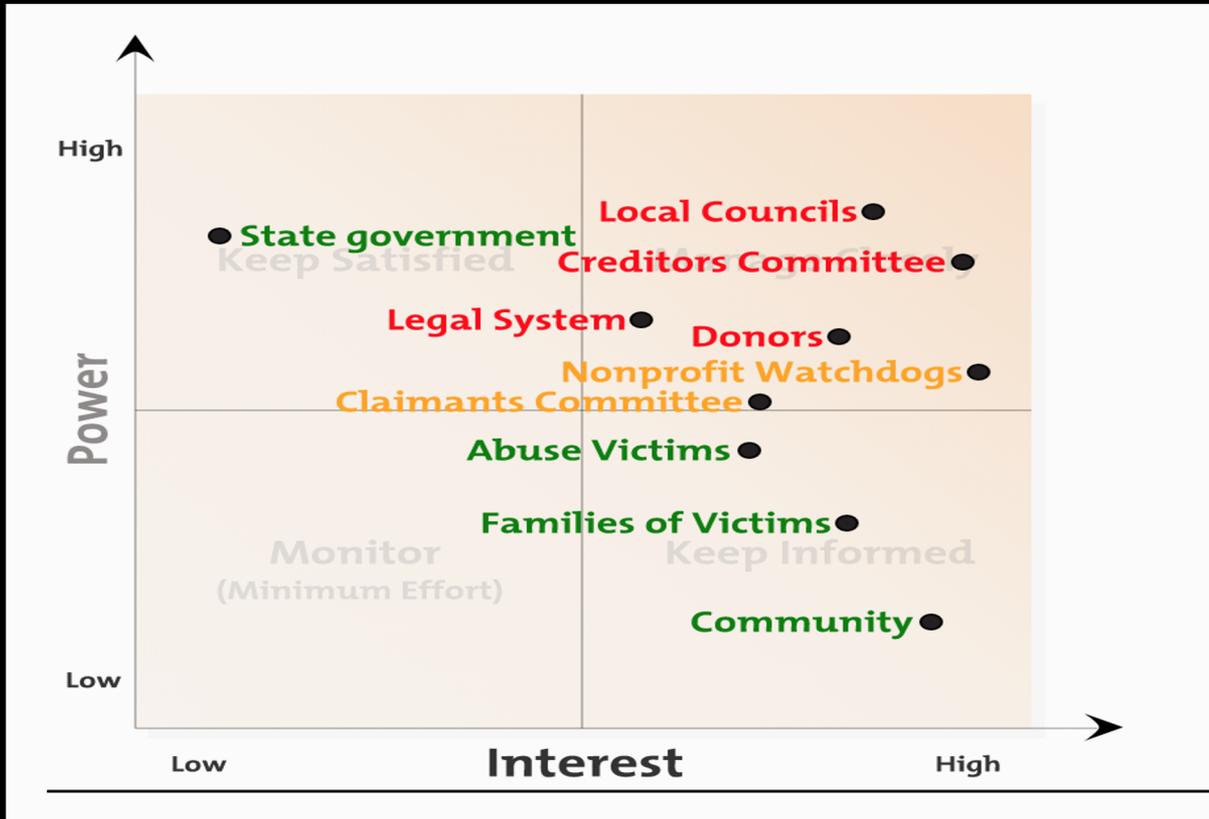
## Systemic Responsibility

- ❑ Power and money
- ❑ Culture of victim shaming
- ❑ Accountability
- ❑ The BSA is the latest in a growing number of high-profile cases involving sex abuse that's enabled and covered up by trusted institutions; Catholic Church, and USA Gymnastics.





Stakeholder Analysis





## Alternative Solutions



“Any incident of child abuse is one too many”

Open letter to the victims by the national chairman

- Dealing with the first instance of abuse allegation.
- Take the full responsibility and dissolve the national and local boy scout organizations.

**“It is a social and moral responsibility that I and the entire organization take extremely seriously. We believe that all victims should receive our support and compensation – and we have taken decisive action to make that possible.”**

Letter from the national chairman Jim Turley to the victims



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?

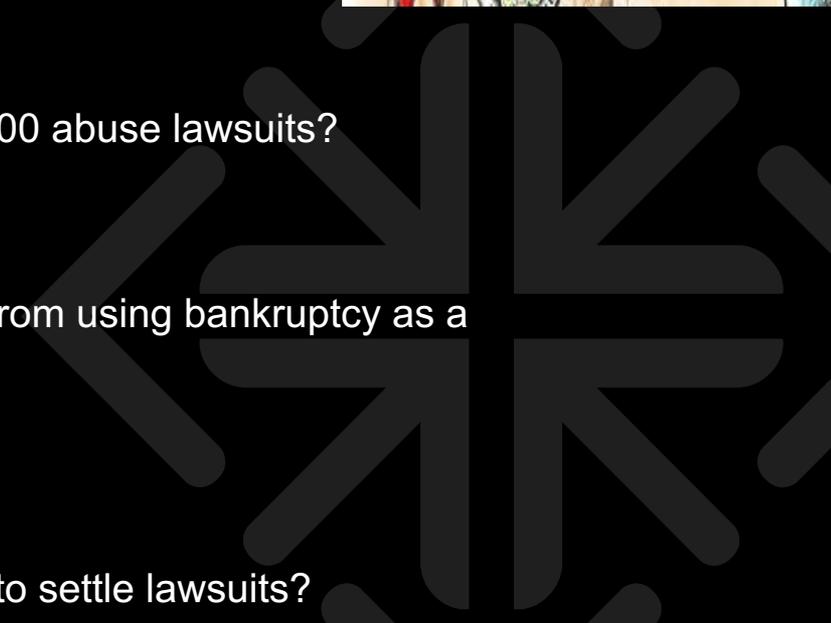
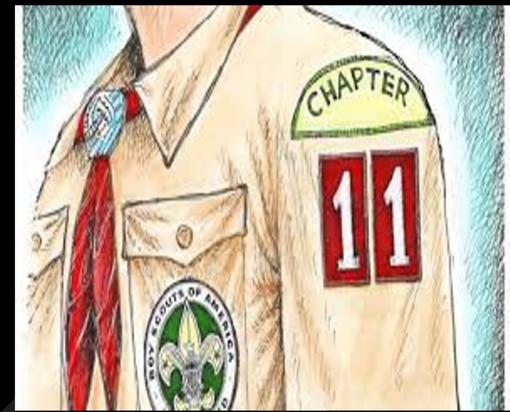
- ***Systemic (sectors) perspective***

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?



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