



Scouting Ambassadors

National BSA's Consideration of a Chapter 11 Bankruptcy

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Important Facts

- **Sam Houston Area Council** (“SHAC”) is incorporated in the State of Texas as a 501(c)(3) non-profit organization.
- The **National BSA** organization *is a separate* 501(c)(3) non-profit corporation.
- SHAC is one of the strongest councils in the BSA from the perspectives of fiscal health, program quality, board and volunteer dedication and staff commitment and talent.
- Every dollar contributed to SHAC stays in SHAC – 87% of every dollar contributed to SHAC is invested in programs and services.
- **SHAC is not** considering a Chapter 11 Bankruptcy.

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What You Need to Know

- This presentation is about the National BSA organization's consideration of a filing for Chapter 11 Bankruptcy, *not SHAC*.
- That BSA's Youth Protection policies, required training and resources *are working* and are *best practices* for youth serving organizations **today**.
- Understand why the National BSA organization is considering filing for a Chapter 11 Bankruptcy.

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National BSA Bankruptcy Considerations – Take-Aways

- Driver is the number of claims for alleged sex abuse incidents that occurred in **1960's, 1970's** and **1980's** that have come forward after some states in the past recent years extended the statute of limitations for such claims.
- We are outraged that there have been times when individuals took advantage of our programs to abuse innocent children.
- We care deeply about all victims of child abuse and sincerely apologize to anyone who was harmed during their time in Scouting.
- We believe victims, we support them, we cover the expense for unlimited counseling by a provider of their choice and ***we encourage them to come forward.***

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National BSA Bankruptcy Considerations – Take-Aways

- We steadfastly believe that one incident of abuse is one too many and we are continually improving all of our policies to prevent abuse.
- **Our youth protection policies are working.**
 - **90%** of **all** claims for abuse are for alleged incidents that occurred prior to 1987.
 - In **2018**, there were **five known victims** of sexual abuse in Scouting programs nationwide at a time when there were **2.2 million youth** in our programs.
- We believe BSA's youth protection policies and training are best practices for youth serving organizations.
- Currently, there are no claims against the Sam Houston Area Council.

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National BSA Bankruptcy Considerations – Take-Aways

- Chapter 11 Bankruptcy is a financial restructuring and reorganization.
 - It is not a total liquidation — National BSA is not going out of business and will continue to pay all its creditors.
 - It would create a trust for all victims to be fairly compensated.
 - It would ensure that the BSA has a long and bright future and that all local and national programming will continue uninterrupted.
 - BSA’s plan is to have all local councils across the USA discharged from any current filed claims and possible future claims.

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National BSA Bankruptcy Considerations – Take-Aways

- Facts:
 - **ALL** instances of suspected abuse are reported to law enforcement. We do not keep any reports of suspected abuse secret or hidden from the proper authorities.
 - Long before there were smart phones, email, the internet, criminal databases, or other modern methods available to identify or track predators, the BSA took a vital step to help protect children from bad people by creating what is known as the ***Ineligible Volunteer Files***, or the IV Files. Its purpose was to ensure that anyone seen as unfit to be a leader – even those not charged or convicted of any crime, would be **removed and banned** forever from our program.

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National BSA Bankruptcy Considerations – Take-Aways

- Facts:
 - The creation of those files was just the first step in the BSA’s development of a comprehensive set of strategies designed to provide the best possible youth protection system. Today, record-keeping or databases such as ours are recommended by experts, including the CDC (Centers for Disease Control and Prevention), as an important step in protecting children.
 - While it has often been misunderstood and criticized, time and time again the IV Files, now called our ***Volunteer Screening Database***, have successfully prevented potential predators from re-joining our organization and gaining access to youth. That is precisely why we have been maintaining these records since the 1920s.

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National BSA Bankruptcy Considerations – Take-Aways

- Facts:
 - We have a very low threshold for removing someone from our scouting programs. Individuals are added to our Volunteer Screening Database based on suspected or known violations of our policies. They don't need to have been arrested or convicted of a crime to be added to the database. This is because our priority is to protect kids, first and foremost, above all else. It is an ongoing tool the BSA uses to keep youth safe from potential perpetrators.

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National BSA Bankruptcy Considerations – Take-Aways

- Dr. Janet Warren
 - Professor from the University of Virginia and a researcher and expert in sexual crimes against children.
 - The BSA engaged Dr. Warren in 2011 to review the files maintained in our Volunteer Screening Database and analyze ways that the BSA could further improve its youth protection efforts.
 - The BSA publicly released Dr. Warren’s first report in 2012.
 - In our efforts to continually be on the forefront of youth protection, the BSA asked Dr. Warren to continue her work and evaluation of our database and barriers to abuse.

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National BSA Bankruptcy Considerations – Take-Aways

- According to Dr. Janet Warren:
 - She reviewed **full, complete and unredacted files** from the BSA that have been commonly referred to as the confidential files, perversion files or, as the BSA now refers to them, the Volunteer Screening Database.
 - **The data demonstrated that the Scouting program is safe and the BSA's use of a database to prevent unsuitable adults from accessing children was cutting edge and it worked.** Even through the years when there were no computers, the BSA's efforts were effective in keeping unsuitable volunteers from gaining access to youth in the Scouting program.

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National BSA Bankruptcy Considerations – Take-Aways

- According to Dr. Janet Warren:
 - The rate of incidence of reported abuse in BSA programs was far less than the rate of incidence in society as a whole. And the data shows that the BSA's youth protection efforts since the 1980's have been highly effective in preventing abuse.
 - Second, there is no evidence of a coverup by the Boy Scouts of America.
 - 100% of all cases reported over the last 50 years were reported to law enforcement.

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National BSA Bankruptcy Considerations – Take-Aways

- In response to and in preparation for anything that might happen regarding National BSA's bankruptcy considerations, SHAC's Board of Directors is doing its due diligence to research and act accordingly to protect SHAC's assets.
- We have prepared and will continue to update our "Elevator Speeches."
 - What you need to know about Scouting in SHAC.
 - Relevant information (Talking Points) about National BSA's Bankruptcy Considerations and Youth Protection policies and training.
- If National BSA decides to file a Chapter 11 bankruptcy, which could be as early as this summer, **all media inquires** are to be directed to PR@scouting.org.
- **Note – No decision has been made by National BSA.**

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