




Feed the Children

Ministry Fires Two of its Own Accountants After They Report Potential Fraud or Illegalities to the Ministry's Board

Feed the Children, long accustomed to controversy yet still the largest ministry in the MinistryWatch.com database with nearly \$1.2 billion in revenues, is being sued by its former Controller and another staff accountant for wrongful termination. According to the Oklahoman's website, the two accountants claim that they were wrongly fired after going over their boss's head to report what they believed to be the Chief Financial Officer's intentional refusal to pay \$1.1 million in taxes owed to the state of Oklahoma. Thus far the ministry and its Chief Financial Officer have not responded to these allegations. This is the sixth lawsuit the ministry has faced this year, including a lawsuit from five former board members who were relieved of their duties and then fought for and regained control of the ministry. As part of a settlement concerning the leadership of the organization, their news release states, "Under the terms of the settlement, Larry and Frances Jones will relinquish operational controls, giving them more time to continue with the organization in the capacity as spokespersons with responsibilities for generating support for the organization. The board of directors will continue to be in control of the organization."

Feed the Children has a history of controversy and accounting concerns, including the revelation that a former CFO once falsified the ministry's audited financial statements over the course of two years. Also in the last year, an employee of its South African subsidiary has been accused of embezzling \$100,000 and it was also suggested in internal memos that Larry Jones own son has had work performed on his home with ministry funds and had a ministry credit card even though he was not a ministry employee.

There are many other allegations as well, but there is no need to go into all of them as what has already been noted is sufficient to justify a Donor Alert on this ministry. It is clear that this is a ministry that is still struggling with acting in an upright manner, even after its recent court-mandated governance overhaul. Donors who have contributed over \$1 billion to Feed the Children should prayerfully consider redirecting their donations to other similar Christian ministries that have a history of operating with integrity, efficiency and transparency. Many such ministries can be identified on MinistryWatch.com's website. In particular, we would recommend donors consider reviewing MinistryWatch.com's Shining Lights list of 30 exemplary ministries. 

Contact Information and Resources

Government Contacts

Internal Revenue Service

Exempt organization customer service address:

Internal Revenue Service
TE/GE Customer Account Services
P.O. Box 2508
Cincinnati, OH 45201

- Tax-exempt assistance: 1-877-829-5500
- General tax questions: 1-800-829-1040
- Order forms and publications: 1-800-829-3676
- Website: www.irs.gov
- Verify tax-exempt status
- Verify tax deductibility
- Obtaining federal tax-exempt status
- Completing federal tax forms
- Specialized assistance to tax-exempt organizations

Attorneys General offices, or Departments of Justice, Charitable Activities Section

Most states have an active unit of the Attorney General's office that are willing to help consumers. Check with NASCO (National Association of State Charities Officials) at www.NASCO.net, look under US State Charity Offices and click on the state of interest.

- Reporting illegal activity by nonprofit organizations
- Information about charitable organizations and copies of annual reports
- Questions about professional fundraising reporting requirements
- Registrations of charitable corporations or trusts
- Questions about annual reports for charitable organizations
- Merging nonprofit organizations
- Serving as a board member of a nonprofit organization
- Dissolving nonprofit organizations

Secretary of State, Corporation Division

Check phone number on the Internet or your local phonebook under state government.

- Verifying that a nonprofit corporation is in fact incorporated and current in its filing
- Obtaining copies of filed articles of incorporation and amendments
- Forming a new corporation
- Obtaining state identification numbers
- Merging nonprofit corporations
- Amending articles of incorporation
- Dissolving nonprofit corporations

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-382-4357
Website: www.ftc.gov

- Information on fraudulent, deceptive and unfair business practices
- How to file a complaint

Christian Ministry Marketplace

MinistryWatch.com

1 (866) 364-9980
www.ministrywatch.com
A free donor advocate service. Aid donors in understanding the key issues concerning a ministry's operations.

The Evangelical Council for Financial Accountability (ECFA)

1 (800) 323-9473
www.ecfa.org
A membership ministry advocate. A peer accountability membership group. Primary responsibility to the ministries that pay dues to the ECFA and thereby fund its operations.

Generous Giving

www.generousgiving.org
Nonprofit that seeks to encourage givers of all income levels to experience the joy of giving and embrace a lifestyle of generosity, according to God's word and Christ's example. It was launched in 2000 by the Maclellan Foundation.

Royal Treasure

1 (770) 977-4502
www.royaltreasure.org
Nonprofit teaching Biblical Stewardship to women.

The Gathering

www.gatheringweb.com
Conferences, email forums, conference calls and other activities for those that give a minimum of \$200,000 annually to Christian ministries or have the capacity to do so.

National Christian Foundation

www.nationalchristian.com
Facilitates Christian stewardship. Helps donors set up a Stewardship Fund, a donor advised fund, liquidate assets, provide gift annuities, trusts, scholarships, and endowments.

Calvin Edwards, & Co.

Info@calvinedwardscompany.com
For profit organization providing philanthropic counsel to high-capacity Christian donors.

Geneva Global

info@GenevaGlobal.com
www.genevaglobal.com
For profit organization assisting individual donors.

Excellence in Giving

www.excellenceingiving.com
For profit organization with tailored services of affluent families and individuals.

The Legacy Group

www.philanthropyatwork.com
For profit organization to assist private wealth management and those to achieve charitable goals.

The Eternity Portfolio

www.eternityportfolio.com
Book by Alan Gotthardt that shows how to get the ultimate return on your investments through investing in eternity.

Strategic Resource Group

www.srginc.org
Nonprofit directing people, prayer and financial resources with churches and key ministries in the Middle East.

Secular Resources

GuideStar

www.guidestar.org
Largest public search engine of nonprofit organizations. Provides access to many tax-exempt organization's IRS Form 990s. Some knowledge of accounting may be necessary to understand the documents found on this site.

BBB Wise Giving Alliance

www.give.org
A charitable watchdog site. The Alliance reports on nationally soliciting charitable organizations that are the subject of donor inquiries. These reports include an evaluation of the subject charity in relation to the voluntary BBB charity standards.

Charity Navigator

www.charitynavigator.org
Helps guide intelligent giving by evaluating the financial health of each charity in its database.

Charity Channel

www.charitychannel.com
Known best for its nonprofit email arena discussion forums.

The American Institute of Philanthropy

www.charitywatch.org
A charitable watchdog group that rates US charities in different categories. Fee for reports. They also provide tips to insure safe giving.

The Charities Review Council

www.crcmn.org
Conducts detailed reviews of national and local charitable organizations soliciting in the State of Minnesota. They also provide tips and guides for donors to help them make wise giving decisions.

Idealist.org / Action Without Borders

www.idealist.org
Provides an array of nonprofit and volunteering resources.

Independent Sector

www.independentsector.org
A national leadership forum, working to encourage philanthropy, volunteering, nonprofit initiative and citizen action that help to better serve people and communities. There is a section on ethics and accountability, including donor's bill of rights, related publications, articles and other resources.

Chronicle of Philanthropy

www.philanthropy.com
Biweekly newspaper of the nonprofit world.

The Nonprofit Times

www.nptimes.com
Articles and topics related to nonprofits.

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