



American Bible Society (ABS)

ABS Board Fires its CEO Following a New York Times Expose

The New York Times wrote an expose on May 18 linking ABS CEO Dr. Paul G. Irwin to an online fund raising company that has ties to the Internet pornography and gambling industries. ABS's board quickly put both Irwin and ABS's Chief Financial Officer, Richard B. Stewart, Jr. on administrative leave. On June 5, the ABS board of directors agreed not to extend Mr. Irwin's contract which concludes at the end of June. The status of ABS's CFO has not been addressed as of this time. ABS also quickly eliminated its dealings with the online fundraiser, for whom Irwin's son had served as director of sales. ABS has indicated its intention to hire a forensic accounting firm to investigate its own financial records and has secured all of the computer equipment related to the two executives. A spokesman for ABS said the ministry desires "to deal with any hint of impropriety". There appears to be a good chance that further revelations may yet come to light regarding this situation.

While ABS's board acted with admirable speed in suspending and then firing Mr. Irwin, it should also be noted that the board also hired him even though he had been involved in controversy in his previous position at the Humane Society. The USA Today reported in 1987 that Irwin had used \$85,000 of the Humane Society's funds to renovate his personal residence, raising concerns about the board's judgment in hiring Irwin in the first place.

We believe donors to ABS should be aware of this uncertain situation. We recommend that ABS donors prayerfully consider whether to continue to donate to ABS until more information concerning the results of the forensic accounting investigation is available. Donors may also want to await board action to improve the ministry's governance and internal controls.


Additional Concerns about ABS

1. ABS does not subscribe to a statement of faith in an effort to avoid doctrinal disputes and operate in an ecumenical manner. Unfortunately, the lack of a doctrinal stand can cause as many problems as it seeks to avoid. It seems particularly dangerous for a publisher of the Word of God to not have a doctrinal statement which guides their actions.
2. ABS is not a member of the ECFA, a peer accountability group for Christian ministries. Given ABS's present and past governance problems, significant remedial action in this area seems advisable. The ECFA's strong standards would certainly assist ABS in achieving greater donor confidence. Unfortunately, it may be ABS's desire to avoid adhering to a specific statement of faith, another ECFA requirement, which keeps it from joining the ECFA. As one of the largest Christian ministries in the world, MinistryWatch.com believes ABS should pursue ECFA membership as a testimony to Christians and non-Christians alike that it takes its stewardship of its ministry seriously.

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3. Donors should be aware that ABS maintains huge cash and investment reserves. Essentially, the ministry controls an endowment that is by far the largest in the Christian ministry world. Earnings from this \$693 million in cash and securities are utilized to fund the ministry's operations. But many donors may be disappointed by the ministry's strategy to not utilize these substantial resources as quickly as possible to achieve its stated mission of putting the Bible in the hands of everyone on earth. By spending rather than investing this huge sum of savings, ABS could actually run its operation at its 2007 level for at least seven years without the need for any donations at all.
4. Even though ABS has such a large amount of readily available funds, it has and always has had, one of the highest fund raising cost ratios in the MinistryWatch.com database. In 2007, ABS spent nearly 21 cents of every dollar donated to raise funds, a spending level roughly three times the average ministry in the MinistryWatch.com database. Given that ABS does not need funds as desperately as other ministries in view of their large cash and investments stockpile, its very high spending to raise additional funds is particularly perplexing and disconcerting. Donors should expect better performance from such a large ministry. Every dollar saved by utilizing more efficient fundraising techniques could be utilized to achieve the ministry's admirable mission.
5. As a result of the ministry's remarkably inefficient fundraising and its huge cash and investment hoard, it has always received a very low Financial Efficiency Rating from MinistryWatch.com. It receives only a 1 star Financial Efficiency Rating and ranks close to the bottom relative to all other ministries.
6. Donors should be aware that a large percentage (38%) of ABS's program expenses are direct grants to other organizations. In this sense, the ministry acts more like a foundation than a ministry that invests in its own programs. Given the high fundraising costs ABS incurs, donors would be advised that their donations may achieve more if they directly funded the same organizations that ABS funds.

MinistryWatch.com Recommendation

There have always been significant reasons for donors to be concerned about giving to ABS. The latest revelations only increase donor worries. MinistryWatch.com is hopeful that the board of ABS will take this opportunity to completely re-evaluate the ministry's operations, strategies, costs, governance and doctrinal position. Wise donors will prayerfully consider whether gifts to ABS should be redirected to other scripture distribution ministries, such as the Gideons which have proven to be better stewards of donors' gifts. 

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.

WWW.thegoodsteward.com

Growing source of information on all areas of stewardship.

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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1 (866) 364-9980

www.ministrywatch.com
www.wallwatchers.org
www.thegoodsteward.com