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Code of Silence: Vets Groups Mum on Scandal at Wounded Warrior Project

Mar 31, 2016 | by Bryant Jordan

Some veterans groups suspected for years that Wounded Warrior Project was playing by a different set of rules than older, more established organizations.

There were the heavy-handed, tug-at-the-heartstrings TV ads that showed the struggles of vets dealing with severe amputations and traumatic brain injury. In print and online spots, the face of the organization is often a horribly burned veteran.

The Madison Avenue-style campaign brought in scores of millions of dollars annually -- dwarfing the amounts received by other organizations -- but also giving members of these other groups pause over exactly how Wounded Warrior Project was spending its massive war chest.

By 2014, Wounded Warrior Project, then a little more than a decade old, had pulled in more than \$1 billion.

Still, no outsiders publicly voiced concern or raised questions.

"The first commandment of veterans' organizations is 'Thou Shalt Not Criticize Other Veterans Organizations,' " said a longtime official with a national veterans group who spoke to Military.com on condition that neither he nor his organization be identified. It was the same with every veterans' group official interviewed for this story.

FAITH SHAKEN

"The reason we hesitated is not because we don't want to expose the charlatans out there, it's because we don't want to bring discredit upon the veterans' organization community," said another career veterans advocate. If donors or potential donors found a group was serving its own top officers more than veterans, donating to all groups is likely to take a hit, the source said.

"A billion dollars!" the person continued. "This [scandal] will shake the faith of many donors. [Wounded Warrior Project's] poor behavior has shaken the faith of the average

donor, who now questions if his money is being put to good use by a reputable organization."

Under the Radar

CBS News, in an expose on Wounded Warrior Project in January, reported the veterans' charity spent 34 percent of donations on fundraising and **only 60 percent on care for veterans**. The group's Form 990 tax filing for 2013 shows it spent \$149 million on programs and services for its veteran clients.

Charity Navigator, which scores charitable organizations, gives Wounded Warrior Project an average rating of 84.5 out of a possible 100.

In terms of financials -- how a group spends its money --it scores the veterans group at 78.5, while rating it 96 on transparency. That means it has been fairly open on how much it spends on overhead, including marketing and salaried personnel. The documents indicate the charity brought in \$342,066,114 in 2013. After its program expenses -- the \$149 million for veterans -- it spent \$15 million on administrative costs, including salaries, and \$84 million on fundraising. It then carried over \$94 million in excess.

Wounded Warrior Project has been criticized for its level of spending on travel, which the most recent filing shows totaled about \$7.5 million, in addition to about \$26 million for conferences, conventions and meetings. The organization has also been especially criticized for the high salaries it paid its chief executives and the overly expensive travel arrangements and hotel stays they wrote off to the charity as the cost of raising money for vets.

Wounded Warrior Project's **Chief Executive Officer Steven Nardizzi** reported a salary of \$473,000. Its **chief operating officer, Albion Giordano**, earned just over \$369,000. **Chief Financial Officer Ronald Burgess** had reported income of \$235,000 from WWP, the document shows, while **Chief Program Officer Jeremy Chwat** earned 262,750. **Nardizzi and Giordano have since been fired** and the organization has been trying to regain the goodwill and trust it lost, officials there said.

The organization has "already begun to strengthen its travel policies and the board [of directors] has committed to several other measures and policies related to expenses and training," Dan Scorpio, a spokesman for Abernathy MacGregor, a public relations firm based in New York, told Military.com. "Financial statements will be independently audited and put on the website." Eight other executives are also listed as earning between \$151,000 and \$252,000 annually.

LAVISH SPENDING

An Army staff sergeant and Iraq War vet who took a job with WWP in 2014 told CBS News he quit after two years. *"Their mission is to honor and empower wounded*

*warriors, but what the public doesn't see is how they spend their money," said **Erick Millette**, who recalled the lavish spending on staff and large catered parties. "Going to a nice fancy restaurant is not team-building. Staying at a lavish hotel at the beach here in Jacksonville, and requiring staff that lives in the area to stay at the hotel is not team-building," he told CBS.*

Others within the veterans group also saw problems looming.

A former legislative assistant dealing with policy issues for Wounded Warrior Project recalled being pulled off his usual work to look at a report from the House Oversight and Government Reform Committee. The report had to do with the salaries paid to executives of non-profits.

He said he was told that **Chwat** "was really concerned" about the committee report and that he should write up a summary of it that could be sent to him.

"I'm an Iraq vet, on staff for policy," he said. "So I'm pulled away from veterans' work to research and analyze a House report to make sure [Chwat's] grandiose salary is not being regulated by the scrutiny of a committee that has nothing to do with serving veterans."

STINGING INDICTMENT

One of the most stinging indictments of the group's executive compensation costs came from Garry Trudeau, the political cartoonist behind **Doonesbury**. The one-time bane of the Nixon administration earlier this month took Wounded Warrior Project to task in his paneled strip, showing a wounded vet watching a TV ad for the organization.

In it, country singer Trace Adkins, a spokesman for Wounded Warrior Project, notes that "sadly Steve [Nardizzi] and other top executives at the group suffer from the invisible wounds of scandal. "Won't you join me in helping these true American heroes rebuild their lives after disclosures of lavish salaries, extravagant conferences and wasteful spending?" he asks. "For only \$19 a month you can help keep this fine, scalable fundraising machine up and running for generations to come."

Current and former veteran organization officials also blasted Wounded Warrior Project for the glaring disconnect between the money it raised every year and its decision to keep the number of vets it serves to a mere fraction of the veteran population.

Beneficiaries of the organization's largess, excluding the top executives, **must be post-9/11 veterans**. That means vets who were burned or crippled or lost a limb in the Persian Gulf War don't qualify for the group's programs or services. Same goes for those who sustained wounds in Beirut, Lebanon, Grenada, Vietnam, Korea or World War II.

Disabled vets of previous wars and conflicts who may see a Wounded Warrior Project ad and reach out for help will be referred to the Department of Veterans Affairs or a veterans service organization such as the Veterans of Foreign Wars, The American Legion, Paralyzed Veterans of America, Vietnam Veterans of America, AMVETS and others who have a long history of assisting and advocating for veterans.

While Vietnam Veterans of America limits membership to Vietnam veterans, it provides services to veterans of any era.

In a statement to Military.com explaining its Post-9/11-veterans-only policy, Wounded Warrior Project said it "serves wounded veterans, their caregivers and families of this generation."

"Charitable organizations exist to help solve some of the world's greatest social problems and have very specific missions for that reason, and we are no different. We routinely refer veterans that fall outside of our mission to other charities and organizations who are better suited to support their specific needs."

But the organization's niche client base is further pared by its targeting of the most seriously wounded war casualties.

"This has always been a tough one because Wounded Warriors Project is a good organization," said a former veteran's advocate who is himself a Post-9/11 veteran. "They have a good mission. *They actually do some amazing work that the VA should be doing.* The fact that they have to do these support services for families -- have to help families for surgeries -- is kind of asinine.

"But VSOs wouldn't exist if the VA completely did its job or this country actually lived up to its obligations [to veterans]," the source said.

"While their core service and functionality is done really well, it's always been a little hard to swallow the amount of money they bring in because -- and you have to be artful about saying this -- but there just aren't that many wounded warriors. "How many veterans are actually wounded to the degree that necessitates the level of care that Wounded Warrior Project provides?" he asked. "You compare the war chest [of money] to the number of people to care for."

A LEVEL OF DISTRUST

Along with the spending abuses and high salaries of the executives that have now been revealed, it creates a level of distrust among donors, the source said.

Yet leaders of veterans groups who saw all this remained quiet.

Not only did they not feel it their place to sound an alarm publicly when they saw Wounded Warrior Project's excesses, they did not see a role for themselves as whistleblowers -- not even to lawmakers who likely would have raised questions.

A former head of another veterans' advocacy group told Military.com that Wounded Warrior Project stands as "a very important lesson in oversight.

"The leaders of Wounded Warrior Project should be ashamed of themselves for unbridled greed and hubris.

That's what brought them down. These f***** had it coming."

Additionally, this source said, donors will need to take greater care and not rely on slick TV commercials or mailing campaigns.

"Because the needs of veterans are very real and I would encourage people to donate to veterans' groups with proven track records of spending a high majority of their donations on veterans programs."

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