

Nonprofit governance wa 2



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Running head: Non-profit Governance Non-profit Governance. Ethics in non-profit organizations Table of contents Introduction 3

2. About AFM3

3. Breach of Ethics3

4. Conclusion4

5. References5

1. Introduction:

Ethics are the quintessential requirements of any undertaking, whether business, education, or any other profession. Businesses, whether for-profit or non-profit, that do not abide by necessary ethical conduct have only experienced their closure or downfall eventually. The same was the fate of the Angel Food Ministries in Georgia that was founded by Joe Wingo. This study is based on AFM's dealings and the unethical practices followed by its owners which eventually resulted in its closure recently after being indicted by the Federal investigators of numerous accusations against its owners and some of its employees.

2. About AFM:

AFM was started by Joe Wingo, also a pastor, in 1994 to provide low-cost food for the needy in the US. According to a report published by the Charity Watch (2012) of the American Institute of Philanthropy, AFM's revenues in 2009 increased to \$1.3 million, and that it sold food to everyone that wanted to buy it at low costs instead of selling food only to the people that were needy. After a four-year investigation, the federal investigators laid numerous accusations against the AFM owners that included Joe and his wife Linda Wingo, son Andy Wingo and an employee Harry Michaels. These accusations

included fraudulent dealing and reporting of funds, funds diversion, unethical dealings with suppliers and vendors, using funds for personal gains and lavish life styles etc. These findings eventually resulted in shutting down of AFM besides prosecution of the accused.

3. Breach of Ethics:

White (2010, p. 153) specifies that the four essential concepts that form the backbone of ethics in non-profit organizations include disclosure, transparency, avoidance of conflict of interest, and oversight. At AFM, the owners' intentions were not aligned to the needs of the people they wished to serve. Moreover, their multiple principles seemed to contradict each other. For instance, AFM's mission to serve the people in need did not correspond with the owners' intentions of making money and their inclination towards lavish life styles. The founder actually saw a business opportunity amidst increasing costs, which he continued to harness by adopting nonprofit model in order to get easy funds and access to the target market. This intention itself was unethical. Employees that knew about these practices also tried to take undue advantage of the situation.

Non-profit organizations function largely based on trust, which helps them to acquire funds, partners, and relationships. Hence, it becomes all the more important for the leaders/owners to exhibit integrity and transparency; and to be accountable for their funds and resources.

4. Conclusions:

In conclusion, the Wingos' and their employee's misconduct due to greed and dishonesty have caused several legal and financial challenges to AFM. As in any case, the end result of such unethical and selfish desires of AFM's

owners resulted in failure and shut down. What really is a greater matter of concern is the intention behind these unethical conduct displayed by the Wingos who failed to acknowledge and meet expectations of others in lieu of the whims. The Wingos lacked personal ethics as well as failed to administer professional ethics to an extent. Such conduct always questions the trust that people put in non-profit organizations, which will eventually affect their efficient functioning too. Unethical conduct in non-profit organizations affects the entire organization.

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