



Attorney General Doug Peterson

News Release

FOR IMMEDIATE RELEASE

June 26, 2018

Lincoln – Today, Attorney General Peterson was joined by AAG Meghan Stoppel who heads the Consumer Protection Division in the Attorney Generals’ Office to announce the issuance of a report and the filing of a Consent Judgment in Douglas County District Court against Goodwill Industries, Inc. and Goodwill Specialty Services, Inc. (collectively Goodwill Omaha). The Consent Judgment contains a number of remedial actions which Goodwill Omaha will be expected to take to address concerns cited by the Nebraska Attorney General’s Office (AGO) and to ensure Goodwill Omaha’s future compliance with the law.

The AGO began its investigation of Goodwill Omaha in late 2016, following a series of articles about the organization that ran in a statewide newspaper. Those articles raised a number of questions about whether Goodwill Omaha was complying with the Nebraska Nonprofit Corporation Act and various consumer protection laws. As one of the largest and best-known nonprofits in Nebraska, the questions raised about Goodwill Omaha’s conduct were serious and warranted a closer look by the AGO.

The results of that investigation, as led by the Consumer Protection Division, are detailed extensively in the written report issued today. The Goodwill Omaha Board of Trustees failed to provide effective oversight to the organization and the executive team led by Frank McGree. As a result, Goodwill Omaha lost sight of its nonprofit mission, misled consumers, and squandered charitable assets on executive compensation. The report stresses the Board of Trustees should have been better informed of the organization’s financial status, mission drift, and collapsing morale and taken far stronger action to prevent and remedy those issues.

During this investigation, Goodwill Omaha made significant changes to their management team, board structure, and various operations and policies. The AGO appreciates Goodwill Omaha’s cooperation and their commitment to restoring the community’s confidence in their operations.

“We developed a healthy confidence in Goodwill Omaha’s new leadership and that President/CEO McGinnis and his team are committed to rebuilding Goodwill Omaha and sustaining its nonprofit mission,” stated AG Peterson.

Along with today’s announcement, the AGO is releasing a resource publication for directors and officers to consult while serving their organization in compliance with Nebraska law. *Best Practices*

for a Nonprofit Organization may be found on the ago.nebraska.gov and protectthegoodlife.nebraska.gov websites.

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ShareFile link to related documents: <https://negov.sharefile.com/d-s2aae04f523948778>

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