

## General FAQ About The National Organization's Chapter 11 Filing

## **About the BSA's Announcement**

## 1. What is a Chapter 11 filing?

"Chapter 11" refers to the Chapter of the U.S. Bankruptcy Code that specifies a process for non-profit – as well as for-profit – organizations to address their financial challenges while continuing operations. This is exactly what the Boy Scouts of America (BSA) is doing.

## 2. Does the Chapter 11 filing mean the BSA is closing its doors?

No. We want to be clear that Scouting will continue throughout this process and for many years to come. Regular unit meetings and activities, district and council events, other Scouting adventures and countless service projects will take place as usual.

## 3. Why did the BSA initiate this financial restructuring now?

We took this action to address the increasing financial pressure the BSA is facing from litigation involving past abuse in Scouting. The BSA believes we have a social and moral responsibility to equitably compensate victims. We also have a duty to carry out our mission to serve youth, families and local communities through our programs. This process enables us to do both.

## 4. Are local councils filing for bankruptcy?

Only the national organization is filing for Chapter 11 bankruptcy. Local councils – which provide programming, financial, facility and administrative support to Scouting units in their communities – are not part of the filings. Councils are legally separate, distinct and financially independent from the national organization.

- 5. I've heard that Delaware BSA, LLC also filed for bankruptcy what is that? Delaware BSA, LLC is not involved in the BSA's programming and is in no way related to the local Delaware council.
- 6. Will this announcement impact high-adventure facilities?

We expect activities at our high-adventure facilities will continue as usual throughout this restructuring process and beyond.

#### About the BSA's Social and Moral Responsibility to Victims

#### 7. How will this bankruptcy filing help victims of past abuse?

As part of the restructuring, the BSA has proposed establishing a Victims Compensation Trust that will be used to equitably compensate victims in a way that protects their identities and brings resolution to their claims. The BSA believes victims, we support them and we encourage them to come forward as part of the Chapter 11 case. We will provide clear and comprehensive notices to ensure they have an opportunity to receive compensation.

#### 8. What steps is the BSA taking to protect youth today?

It's important to know that Scouting is safer now than ever before. Approximately 90% of pending and asserted abuse claims against the BSA relate to abuse that occurred more than 30 years ago. The safety of children in our programs is the BSA's

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absolute top priority. That's precisely why we've developed some of the strongest expert-informed youth protection policies found in any youth-serving organization.

From mandatory youth protection training and background checks for all volunteers and staff, to policies that prohibit one-on-one interaction between youth and adults and require that any suspected abuse be reported to law enforcement, our volunteers and employees take youth protection extremely seriously and do their part to help keep kids safe. You can read more about the BSA's multi-layered safeguards and our efforts to be part of the broader solution to child abuse at <a href="https://www.scouting.org/youth-safety">www.scouting.org/youth-safety</a>.

## 9. What is the BSA doing to support victims of abuse in Scouting?

The BSA has partnered with 1in6, a trusted national resource for male survivors, to expand their services so that victims of abuse are able to anonymously access vital support from trained advocates when and how they need it. Victims can access these services at www.1in6.org/BSA. This is a multi-year commitment, which we feel is an important component of the support we provide on an ongoing basis.

The BSA will continue to fund in-person counseling for any current or former Scout or member of their family by a provider of their choice, when they are ready to take that step. No proof is required; a victim need only make a request. To request in-person counseling, please call 1-866-907-BSA1 or email <a href="mailto:restructuring@scouting.org">restructuring@scouting.org</a>.

## 10. Did the BSA cover up past instances of abuse?

An independent academic review of the BSA's records found no incident of a coverup of abuse by the national organization. However, the BSA recognizes that in the past, its efforts to protect its youth participants have at times failed some of the very children they were meant to protect. In certain circumstances, predators used Scouting to gain access to children, and volunteers or employees of the national organization or local councils did not always effectively address allegations and transgressions. The BSA understands that no apology can ever repair the damage caused by this abuse or take away the pain that victims have endured.

#### **About Donations to Scouting**

## 11. Will my donations be used to compensate victims or cover legal fees related to the Chapter 11 filing?

Your restricted donations can only be used for their designated purposes. We are legally prepared to enforce and defend all of your restrictions to ensure donations – past, present and future – are used as you intended.

In addition, Friends of Scouting (FOS) donations go straight to supporting Scouting in our communities today. These donations are critical to maintaining our operations and are being used to do so in real time.

## 12. Should I donate to Scouting during the Chapter 11 process, or should I wait until the national organization emerges from the restructuring process?

There is absolutely no reason to stop supporting Scouting. Whether you contribute to the national organization, your local council, or both, your continued support is more important than ever. It is instrumental in empowering young people to succeed now and throughout their lives.

Your contributions have created unparalleled experiences for youth – experiences that instill the values and skills that prepare our members to be the future leaders of

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our communities and our nation. While you may not always see or hear of the direct impact you've made, it is undeniable, and it lasts a lifetime.

## **About the Future of Scouting**

#### 13. How long does the BSA expect the restructuring to take?

We cannot speculate at this time but have taken carefully designed steps that should help us complete our financial restructuring as expeditiously as possible. Scouting will continue throughout this process.

## 14. Will there be another registration fee increase as a result of the national organization's Chapter 11 filing?

Any changes to registration fees would be made in the normal course of the BSA's operations. There are no additional changes planned at this time.

## 15. Will we see product shortages in Scout Shops?

Our National Supply team will be working closely with vendors to ensure continuity – most notably by ensuring our vendors understand they will be paid for all goods delivered in the normal course of business after our Chapter 11 filing on February 18, 2020. There may be some need to rebalance and redistribute existing inventory among Scout Shops in the near-term, but we expect these actions will be limited.

## 16. What should I tell my friends/family/neighbors about what's happening with the BSA?

You can tell anyone asking about the restructuring that:

- The BSA is using this process to help ensure that all victims of past abuse in our programs receive equitable compensation.
- Scouting is safer now than ever before.
- The BSA's programming will continue throughout the restructuring and for many years to come.
- Local councils have not filed for bankruptcy.

## 17. Will BSA events and trainings such as the 2021 National Jamboree and the National Annual Meeting be conducted as planned?

Yes, we fully intend to host events and trainings, including the National Jamboree and the National Annual Meeting. While the word "bankruptcy" can be intimidating, it is important to know that Scouting programs will continue – and the national organization will continue to provide services and support to local councils.

# 18. Where can I learn more about this announcement and the future of the BSA? We have posted information about this process, as well as more information for a variety of stakeholders, at <a href="www.BSArestructuring.org">www.BSArestructuring.org</a>. This site includes a Milestones page, which will be your best source for the latest updates throughout this process.

## 19. Can people still join Scouting?

Yes! Scouting continues and regular unit meetings and activities, district and council events, other Scouting adventures and countless service projects will take place as usual

Visit www.BeAScout.org to find a unit near you.

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