

Kathy Hopinkah Hannan
National Managing Partner, Diversity & Corporate Responsibility
KPMG LLP
200 East Randolph Street #5500
Chicago, Illinois 60601
January 4, 2016

Dear Ms. Hannan:

As the President of the Girl Scouts of the USA National Board of Directors, we write to you as members of the steadily increasing wave of concerned former employees about the growing scandal at Girl Scouts headquarters in New York City. The actions of Anna Maria Chavez, Girl Scouts of the USA's CEO, including wasting large sums of money, increasingly poor financial results, excessive executive and employee departures, and a horrific work climate, present significant risks to the brand, reputation, and future of Girl Scouts as a whole.

Anna Maria Chavez has wasted money in a number of ways. Anna lectured us about the value of "Girl Dollars", but she elected to spend \$65,000 in renovating her personal bathroom as reported in the New York Post in June 2013. The amount that was spent was an unjustifiable waste of money, but we were shocked that there was no investigation by the Girl Scouts board. Corporate CEOs, university presidents and other nonprofit leaders would have been heavily censured or fired for such an outrageous expenditure. At \$15 per membership, 4333 girls could have been granted a free membership for a year for the amount Anna spent on a bathroom only she would use.

After getting rid of many of the employees, managers and executives after she arrived, Anna hired her own team. Due to her poor management style, many of them fled. Below are some of the executives she hired and reported to her directly or who worked with her closely and decided to leave relatively quickly.

- Danny Boockvar, former Chief Operating Officer
- Maggie Miller, former Chief Technology Officer
- Deb Taft, former Chief Development Officer
- Sarah Gormley, former Chief Marketing Officer
- Kelly Parisi, former Chief Communications Officer
- Krista Kokojohn-Poehler, former Girl Experience Officer

Since executives are not found on Craigslist, how many hundreds of thousands of dollars were spent in fees to headhunters to continually find and replace executives and managers who could no longer work for Anna or her team. For every \$100,000 that is paid to a search firm due to excessive executive churn, 6666 girls could have been given a Girl Scouts membership for a year.

We have heard that since Anna does not want to be criticized for the revolving door of senior executives, she had decided to keep several executives who are performing poorly on the payroll. Some of us call them Zombie Executives. They walk around the building, are paid large salaries, but are

ineffective in their jobs, ignored and marginalized. They are members of the “Walking Dead” at Girl Scouts. One of these Zombie Executives is Lynn Godfrey, who was the Chief Strategy Officer. Lynn’s performance has been so poor that Anna hired Natalie Paquin as the new Chief Transformation and Strategy Officer to take Lynn’s place. Instead of firing Lynn, who now reports to the Chief Operating Officer, Anna moved her to a newly created Chief Marketing and Communications Officer position. They are now working to hire a new head of communications and a new head of marketing to report to Lynn. So what is Lynn’s role and how much redundancy is this? All this bureaucracy and extra costs because Anna wants to avoid dealing with performance issues. Nhadine Leung is another Zombie executive who was an ineffective Chief of Staff. When Nhadine was in that job, much of the organization grounded to halt. Decisions were delayed substantially, and Nhadine often changed her mind at the last minute. Items from all over the organization would get held up in her office and because of excessive time, projects would just cease or get pulled. She was one of the most indecisive executives we had ever seen. But since she is loyal to Anna, Nhadine was moved over to her current role of Chief Governance Officer where she is equally as ineffective but does less damage. Anna then hired Helen Morillo as the new Chief of Staff.

So on top of hundreds of thousands of dollars in search firm payments to replace executives who Anna is unable to keep, Girl Scouts of the USA is paying hundreds of thousands of dollars more to keep executives on the dole. Girl Scouts has the nonprofit equivalent of “No Show” workers? Anna makes so many of these hiring mistakes because she believes that loyalty to her is more important than competence, experience or commitment to Girl Scouts’ mission.

There have been so many new designs and new positions on the senior team that no one can keep up. Each time a new senior executive comes in they want to restructure yet again and more staff are disrupted, shifted or let go. Then they redo the work that has already been done but tied with a new pretty bow. In addition to insurmountable costs, this constant shifting, churning and disruption leads to further instability and uncertainty and yet more resignations. Anna has led the destruction of several services that were valued by Girl Scout Councils. One example of this is the Girl Scout Research Institute. It was one of the crown jewels of Girl Scouts. It often scored the highest ratings of valued services during surveys of Girl Scout Council CEOs. So what does Anna do? First she fires Michael Conn, former Vice President, Girl Scouts Research Institute, as part of the wave of involuntary terminations of mostly older workers that Anna engineered in 2013 which some still feel may have been illegal. Shortly after Michael left, Debra Dobson, one of the directors who worked for Michael, announced her resignation within a few weeks and despite the financial risks left Girl Scouts without a new job to go to. Judy Schoenberg, another director who reported to Michael Conn, was installed to head the Girl Scouts Research Institute. She stayed until she could not take it anymore and announced that she was leaving Girl Scouts and resigned in October 2015. Judy also left the organization without a new job to go to. Many of the remaining employees in the Girl Scouts Research Institute and other headquarters departments in the building have their resumes on the street and are looking to leave.

In announcing the creation of the first Chief Technology Officer position, Anna Maria Chavez stood in front of an all-employee meeting and told employees that she was creating the first Chief Technology position because of the importance of technology to Girl Scout Councils. Then she went on to say that another reason she was creating the position was because of poor customer service that IT provided Girl Scout Councils. The IT team was insulted. We can only imagine how humiliated Margie Wang, then the head of IT, was as she sat in the front row of the meeting. Within a short period of time, Margie left to

join another nonprofit organization. Maggie Miller was later hired as the first Chief Technology Officer. A number of employees remember sitting in the room where Maggie Miller was publicly criticized by Anna and grilled about an IT issue in front of about 15 employees from other teams and different levels of management during a meeting. It was an incredibly humiliating and memorable event. None of us were surprised that shortly after that meeting and other abuses, Maggie left Girl Scouts to head IT for the state of New York.

After leading a highly successful 100th Anniversary Campaign, Denise Pesich, then head of Girl Scouts communications, was run out of Girl Scouts by Anna. She was eventually replaced by Kelly Parisi as head of communications. During 2015, Kelly and Sarah Gormley, head of marketing, both of whom worked closely with Anna, left Girl Scouts. There are many other examples where Anna's poor leadership has had the effect of acid, burning through one layer of management after another. Anna is a horrible manager and leader. Numerous employees who made, or had the potential to make, significant contributions to Girl Scouts have fled like escaped hostages.

A large percentage of the employees who understood the services that Girl Scout Councils needed were removed or left voluntarily. Functions that provided valuable services have been eliminated or replaced by individuals who have no idea on how to address the challenges in councils. Girl Scout council CEOs have complained about Anna and the decline in services. One of their chief complaints is Lisa Margosian's constant changes in the structure of the department, leaving councils with a constant stream of new people to deal with who know less and less about councils and their needs. Since nothing has changed or improved, many of these CEOs have written Girl Scouts headquarters off as irrelevant and now chart their own course. That leads us to the horrific work culture that Anna has created. According to newspaper articles, Anna let go 86 employees in 2013 as part of its reorganization. Coincidentally, many of the individuals let go were over 50. Others fled as part of a voluntary separation plan. Since then, Anna has hired scores of new employees. However, once the new hires experienced Girl Scouts' work climate, they have left in droves, many during the past 12 months. We tried to count how many employees have left Girl Scouts during the summer and early fall, and we stopped counting at 25 (an incredible number for a relatively small organization). They left for several reasons. One is the "Swirl", a phrase we describe as the constant shifts in position by Anna. Everyone is trying to guess what she wants, fearful of being wrong, and tries to survive unclear and constantly changing instructions from Anna and her senior executives.

Fear permeates the environment like water flows along a river. Employees are so afraid to get on Anna's bad side that no one speaks up, asks questions, or takes action without worrying about what Anna might think. Much of the organization is paralyzed due to fear. Anna participated in the "Ban Bossy" campaign, while at the same time her stunningly poor leadership skills have converted Girl Scouts into a place where relational aggression and bullying have run wild. Working at Girl Scouts epitomizes elementary school, mean girl, behavior. There is a clearly defined "in crowd" and "out crowd". The group you are in is defined by Anna, and since she frequently changes her mind about who she likes and who she does not, people are afraid to be pushed into the "out crowd." Some go to any lengths to mimic Anna's behavior, including yelling at staff, publicly humiliating others, shunning former colleagues and friends. Some employees do anything to stay in Anna's favor. Since Anna's arrival, they have betrayed each other, stabbed others in the back, and lied and throw others under the bus to gain or maintain favor with Anna. Employees in the "out crowd" live in a constant state of fear. They are isolated, fear being abused, publicly humiliated, or reorganized out of job. Anna has converted the work

environment into a work version of “Game of Thrones” with the only difference being that real people’s lives are affected.

In July 2015, three administrative workers who worked in the Office of the CEO and directly supported Anna (Sheila DePaula, Alicia Meeks, and Dana Plair) resigned due to their unreasonable and harsh treatment by Anna. Another factor in employees leaving is the systematic elimination of almost all flexibility at Girl Scouts headquarters for employees. In 2012 during a Brown Bag lunch, Anna proudly told employees how she did not see her son for four years, that she made the sacrifice to advance in her career, and implied that we needed to role model similar behavior if we wanted to advance. Through her executives, Anna has removed flexible work schedules department by department. Several high performing employees, who happened to have children or aging parents, had to choose between family and work. They selected their families and left. Girl Scouts now resembles a modern day version of Mad Men, where face time is more important than work results, where the need for managerial control has created a 1950s workplace. This big step backwards is tragic for an organization that is supposed to be help develop the next generation of women leaders. Lack of flexibility has been cited as a major factor that prevents women from rising to senior positions, and Girl Scouts now has a work environment that is actively hostile to the needs of women.

Despite being given the leeway to shape Girl Scouts strategy and organization into her own image, you would think that Girl Scouts would have better results under Anna Maria Chavez’s leadership. Her results are amazingly poor. Despite an award-winning, multi-million dollar 100th Anniversary campaign, Anna turned the potential significant gain in membership into four years of record membership losses. The management churn and constant changes in strategy and people have resulted in several years of membership losses that exceeded 6%. **These are the largest cumulative back-to-back losses of girl and adult volunteer members since Girl Scouts was founded in 1912.** Anna’s approach is failing and as long as she is in charge, membership losses will continue.

Anna Maria Chavez is a mean-spirited, paranoid, inept, self-absorbed, and vengeful leader. She will not change. What we are most disappointed in and shocked about is the lack of board action. The failure of the board to investigate Anna’s failed leadership constitutes the highest level of malfeasance. The prior board chose the wrong CEO and failed to act despite early, overwhelming evidence that Anna had significant problems. People have been writing to the board since 2012 as a cry for help, but have been ignored. Newspapers have published articles about a few of Anna’s many violations and failures, such as the \$65,000 expenditure for her bathroom, but the board continued to look the other way. Newspapers reported that you paid her more than \$400,000 plus a huge bonus while employees were being laid off and membership declined. Membership losses have continued to mount, and you watched as one failed strategy after another was launched and abandoned, costing millions of dollars. The only beneficiaries of Anna’s failed leadership are her investment advisors and the outside companies and consultants who continue to collect payments and fees for work that will be wasted.

Girl Scouts of the USA headquarters has become the laughing stock among nonprofits. As many of us talk to recruiters or colleagues at other nonprofits in our search for new jobs, one of the questions we are always asked is “What is your board doing about what is going on at Girl Scouts?” We are left without words because what they have heard or read about Girl Scouts is true and there is no answer to why the board has allowed Anna to continue a path that hurts Girl Scouts. You can only imagine what Foundations have heard about Girl Scouts and how that may curtail funding opportunities in the future.

No one understands the unwritten deal between Anna and the Board of Directors. Anna gets to waste Girl Scouts resources, build her brand, lose membership and destroy the organization while the board passively looks the other way. Many current and former employees and Girl Scout Council CEOs are afraid of Anna, but we thought the board would be different. Your unyielding support of Anna harms girls, Girl Scouts Councils and volunteers and potentially sets the organization up for lawsuits. As board members, you come from some of the most prestigious corporations and organizations in America. We had great hopes of a board with such experience would lead Girl Scouts to further heights. Would Anna's behavior be tolerated in your place of employment? The boards or CEOs of your organizations would not have tolerated Anna's negative leadership and poor financial results. So why do you tolerate it at Girl Scouts? What makes you turn your back on the values of your organizations when you serve on Girl Scouts board? The boards in your organizations would have acted swiftly if a CEO caused turmoil among executives and employees, receive a consistent stream of negative (but true) press, took actions that reduced service to customers, caused the loss of important employees, created a hostile work environment, while at the same time delivering increasingly rapidly declining financial results. We joined Girl Scouts with the firm belief that women can lead as well as or better than men. We were proud that Girl Scouts had a senior management team and board led largely by women. Our experience working during Anna's tenure and watching the board's failure to hold her accountable have been one of the biggest disappointments of our careers.

Juliet Gordon Low would be turning in her grave if she knew what you are allowing to happen to the beloved organization she founded. As you prop up Anna, you condone her actions and fail girls. One day, when Anna elects to leave, the pent up anger and frustration regarding the board's willingness to aggressively keep their heads in the sand, will explode into the national media. People will want to know if you knew what was going on and if you did, why did a board with such stellar qualifications choose not to act? The board's collective failure to take action will be a future case study of why nonprofit boards fail in their responsibility. Since you work for KPMG, and are in charge of corporate responsibility, we had hoped that you would lead the board to fully investigate what is going on at Girl Scouts and take action. This is what we would expect KPMG would do for its clients. But we have seen no action. As board members, all of you have a simple choice if you are afraid of Anna, unwilling to hold her accountable, or so removed from Girl Scouts that you have no idea of or concern for the damage she is causing. If you do not have the stomach for bold leadership, you can resign gracefully, as many of us have already done, and allow others who have true "Courage, Confidence, and Character" to take your place. Each day you allow Anna to stay in her job is hurting girls and the future of Girl Scouts.

It is obvious that Anna is using Girl Scouts as a stepping stone to something else, which might be minimally acceptable if she achieved positive results. You pay Anna more than \$400,000 a year plus bonuses for the worse membership results since 1912. After four years, that is at least \$1.6 and \$2 million dollars that have been wasted in addition to Anna's millions of dollars of wasted expenditures. How long can girls who should become our future leaders afford to pay for your mistake in hiring and keeping Anna in her job?

If you want to know more about the full extent of the damage that Anna has caused, you can start with a few simple actions.

- Follow the money! Examine the expenditures that Anna has made. How many consultants have been used since her arrival, how much have they cost, and what was the return on investment? Specifically, look at her use of consultants, search firms, and other expenditures.
- Hire an external organization and have them interview employees who have left during the last four years? If employees signed an agreement in exchange for a severance package, promise them in writing that the money they received will not be jeopardized.
- A number of us have stated our views in our exit reviews. Read them, or have an outside firm read them, to provide you with insight into what is going on versus what she is telling you.
- Ask for a list of the employees who have left since Anna arrived. Look at the number who have left since Anna started and determine whether you feel this is normal or acceptable.
- Look at the number of restructures throughout the organization that have occurred since Anna arrived, especially of her Executive Team which seems to have a new design and new positions every few months. Look at the cost and instability all of them have created including the total cost of severance in getting rid of people and is it worth the cost.
- Interview current and former Girl Scout Council CEOs. Many of them may be afraid of Anna or are part of her “in crowd”, but let them know that your inquiry is confidential, and that they will be protected from retribution by Anna. If you do not want to get your hands dirty, hire a firm to talk to them.
- Talk to the former administrative staff members who worked for Anna. There are many of them and they have information that will help you understand what is going on. Look at the size of Anna’s staff, including people hired in other departments who only support her. Does it make sense for her to have that number of people only supporting her? Find out what they do and how many people have worked in and left the CEO’s office and other such positions since she began.
- Look at the consultant contracts for her office and the communications department. A number of us think that much of the expenditures were disproportionately for Anna’s self-promotion.

As we close we leave you and the board with a few questions to think about. Would you recommend that your daughter, niece or daughter of a close friend work at Girl Scouts headquarters? If the leaders, board members, and employees of your organizations could know how you are leading this board, would you be proud? Is this the lesson on women’s leadership you would want girls to learn? If girls could secretly view what is going on at headquarters under Anna’s leadership and what you are not doing as board members, what would they think and how would it affect them as young women who hope to become future leaders someday? We hope the board will step up and solve the problems we have described, but if you are not, there are Girl Scouts alumni who are willing to take the next step and work with others outside the organization to provide you with assistance before it is too late.

cc: Girl Scout Board Members
Girl Scout Council CEOs
Preet Bharara, United States Attorney for the Southern District of New York
Andrew Cuomo, Governor, State of New York
Senator Charles Grassley
Eric Schneiderman, Attorney General, State of New York
Mary Jo White, Chair of the Securities and Exchange Commission
New York Post
Wall Street Journal
Lynne Doughtie, CEO of KPMG
John G. Stumph, CEO of Wells Fargo
Klaus Kleinfeld, CEO of Alcoa
James Dimon, CEO of JP Morgan Chase
Rex Tillerson, CEO of Exxon Mobil
Rich Lesser, CEO of the Boston Consulting Group
Molly Corbett Broad, CEO of American Council on Education
Terry J. Lundgren, CEO of Macy's, Inc.
Mitch Barnes, CEO, Nielsen Holdings
John Strangfeld, CEO Prudential Financial
Alan J. Sokol, President and CEO, Hemisphere Media Group
Clifford Scott Asness, Founder and President, AQR Capital Management, LLC
Jeffrey Immelt, CEO of General Electric
C. Douglas McMillan, CEO of Walmart

Girl Scouts of the USA National Board Officers 2014-2017*

Kathy Hopinkah Hannan, President
National Managing Partner, Diversity &
Corporate Responsibility
KPMG LLP
Wheaton, Ill.

Wonya Lucas, Second Vice President
CEO
Public Broadcasting Atlanta
Atlanta, Ga.

Charles D. (Chuck) McLane Jr., Treasurer
Executive Vice President
Alcoa
Fort Myers, Fla.

Sharon Hoskin Matthews, First Vice President
Senior Vice President, Head of Enterprise Employee
Relations
Wells Fargo Corporation
Charlotte, N.C.

Sylvia Acevedo, Secretary
Founder & President
Communicard LLC
Santa Barbara, Calif.

Priscilla Almodovar
Managing Director, Head-Community Development
Banking
JP Morgan Chase & Co.
New York, N.Y.

Jenny Alonzo
Media Consultant
New York, N.Y.

Jeanne Kwong Bickford
Partner & Managing Director
Boston Consulting Group
Darien, Conn.

Dineen Garcia
Vice President, Diversity Strategies
Macy's Inc.
Miami, Fla.

Steven Gilliland
President & Chief Executive Officer
Federal Power Company, LLC
Houston, Texas

John Hom
Vice President, Talent Consulting
Prudential Financial
South Orange, N.J.

Karen A. Maloney
Senior Vice President, Accounting Officer
Hemisphere Media Group
Miami, Fla.

Debbie Nielson
Former GSUT Board Chair
Ogden, Utah

Norma Provencio Pichardo
Executive Director
Television Academy Foundation
North Hollywood, Calif.

Sapreet Kaur Saluja
Executive Director
The Sikh Coalition
Jersey City, N.J.

Julie Sygiel
Founder and Chief Creative Officer of Dear
Kate
New York, N.Y.

Judith N. Batty
Senior Counsel
Exxon Mobil Corp.
Washington, D.C.

Lynn M. Gangone
Vice President of Leadership Programs
American Council on Education
Washington, D.C.

Mónica Gil
Senior Vice President & General Manager,
Multicultural Growth and Strategy
The Nielsen Company
Los Angeles, Calif.

Jeanmarie C. Grisi
US Chief Investment Officer
Alcatel-Lucent Investment Management Corporation
Murray Hill, N.J.

Noorain Khan
Chief of Staff to Wendy Kopp, Chief Executive Officer
& Co-Founder
Teach For All
New York, N.Y.

Mina T. Nguyen
Director
AQR Capital Management
Boston, Mass.

Susan P. Peters
Senior Vice President, Human Resources
General Electric Company
Fairfield, Conn.

Nancy A. Reardon
Director
Kids II
Bluffton, S.C.

Trooper Sanders
Founder & President
Wise Whisper
Washington, D.C.

Carri Baker Wells
Chief Operations Officer
Linebarger Goggan Blair & Sampson LLP
San Antonio, Texas

Sharon Wibben

Senior Vice President, Human Resources
Walmart
Bentonville, Ark.

Girl Scouts Articles

Girl Scouts staff in revolt over 'Cookie Monster' boss (New York Post, February 10, 2013)
http://www.nypost.com/p/news/national/what_mean_girl_gVKRPj3S6thvlhe2Qjy0ZM

Girl Scouts Employees Upset That Board Hasn't Investigated Their Complaints (Chronicle of Philanthropy-April 7, 2013)
<http://philanthropy.com/article/Girl-Scouts-Workers-Are-Upset/138321/>

Girls Scouts' CEO Faces Criticisms from Workers (Chronicle of Philanthropy-April 7, 2013)
<http://philanthropy.com/article/Girl-Scouts-CEO-Faces/138307/>

Girl Scouts' Financial and Leadership Woes Threaten 100-Year-Old Group (Chronicle of Philanthropy-April 7, 2013)
<http://philanthropy.com/article/FinancialLeadership-Woes/138335/>

New Grass-Roots Group Puts Pressure on Girl Scouts (Chronicle of Philanthropy-April 25, 2013)
<http://philanthropy.com/article/New-Grass-Roots-Group-Puts/138835/>

**At Girl Scouts' HQ, the cookies are crumbling:
New leadership by Anna Maria Chávez makes waves as pension debt forces change. (Crains New York Business-May 19, 2013)**
<http://www.crainsnewyork.com/article/20130519/NONPROFITS/305199965>

Girl Scouts CEO making almost \$400,000 salary as organization spends big bucks to renovate her executive bathroom (New York Post-June 9, 2013)
http://www.nypost.com/p/news/local/she_milking_the_scouts_xLMbhYH48OkZhhkfatSBeL

Dissension and fiscal troubles beset the Girl Scouts (USA Today-June 23, 2013)
<http://www.usatoday.com/story/news/nation/2013/06/23/girl-scouts/2450259>

Girl Scouts Cuts 25% of Staff (Chronicle of Philanthropy-September 30, 2013)
<http://philanthropy.com/article/Girl-Scouts-Cuts-National/142017/>

Girl Scouts of the USA cuts dozens of jobs (Crains New York Business-October 23, 2013)
<http://www.crainsnewyork.com/article/20131023/NONPROFITS/131029952>

Girl Scouts CEO takes \$83K bonus amid budget cuts (New York Post- August 16, 2014)
<http://nypost.com/2014/08/16/girl-scouts-ceo-takes-83k-bonus-amid-budget-cuts/>

