

Board of Directors of Wounded Warrior Project Addresses Independent Review

Review Finds WWP is Steadfast in its Mission to Serving Thousands of Warriors, Caregivers and Family Members, and That Certain Allegations Raised Were Inaccurate

Board Creates Office of the CEO to Oversee the Organization on an Interim Basis; CEO Steve Nardizzi and COO Al Giordano Are No Longer with WWP

JACKSONVILLE, Fla. (March 10, 2016) – The Wounded Warrior Project (“WWP”) Board of Directors today addressed the independent review regarding concerns raised publicly about WWP in recent weeks.

As previously announced, the Board hired Simpson Thacher & Bartlett as external legal counsel and FTI Consulting as forensic accounting consultants to conduct an independent and objective review of the allegations reported in the media. This work has involved the review of financial and other records, as well as interviews with former and existing employees at all levels of the organization including members of senior management and the Board of Directors.

Based on this independent review, the WWP Board found that WWP continues to advance its mission of providing substantial services for the nation’s wounded warriors, and that certain allegations raised in media reports were inaccurate. A substantial portion of the donations given to WWP go to support warriors’ and their families’ participation in its 20 free, direct programs and services. The organization’s commitment to injured service members, their caregivers and family members remains steadfast. From 2010 to 2015, participation across WWP’s many programs increased from approximately 1,850 wounded warriors to more than 144,000 wounded warriors.

Among the findings of the review were:

- WWP’s most recent audited financial statement, which is based on application of established accounting principles, states that WWP spends 80.6 percent of donations on programming. Some of the organizations that measure spending at charitable organizations disregard the established accounting principle of joint cost allocation known as SOP 98-2 that WWP uses to calculate its program spending. WWP has used an independent third party that performs joint cost allocation services for many other non-profit organizations, including several prominent charities. This third party’s work has been subject to review by WWP’s independent auditors, currently Grant Thornton LLP.
- According to WWP’s most recent Form 990, of the approximately \$26 million that was spent on conferences and events between October 1, 2013 and September 30, 2014, approximately 94 percent (or approximately \$24,392,000) was associated with program services delivered to Wounded Warriors and their families.
- The vast majority of paid air travel has been in economy class, however less than 1 percent may have been booked for employee travel in first or business class.
- The cost of the 2014 All-Hands held at the Broadmoor Resort was approximately \$970,000 -- significantly less than the \$3 million figure reported by the media. Such events will be curtailed in the future.
- The allegation that “we don’t call warriors, warriors call us” is not accurate. From 2013 to 2015, WWP employees made more than 150,000 outreach calls and sent more than 114,000 outreach emails to wounded warriors.

- It is reasonable and customary for organizations to reimburse Board-related expenses of volunteer directors.

However, the review also found that some policies, procedures and controls at WWP have not kept pace with the organization's rapid growth in recent years and are in need of strengthening.

WWP has already begun to strengthen its employee travel policies to more explicitly limit domestic air travel to economy class absent an exception for health or disability reasons. In addition, the Board has committed to other measures, including strengthening policies related to employee and director expenses, enhancing employee training on existing and new policies and procedures, and continuing to have its financial statements independently audited and available on the organization's Website. The Board will conduct an objective assessment of WWP's progress towards implementing these and other enhanced measures.

To best effectuate these changes and help restore trust in the organization among all of the constituencies WWP serves, the Board determined the organization would benefit from new leadership, and WWP CEO Steve Nardizzi and COO Al Giordano are no longer with the organization.

The Board announced that it has created an Office of the CEO to oversee the organization on an interim basis effective immediately. The Office of the CEO will be led by WWP Chairman Anthony Odierno and consist of senior members of the existing executive team. The Board intends to initiate a nationwide search immediately for a permanent CEO.

"I would like to thank WWP's dedicated employees, donors, sponsors and partners who have stood loyally by this organization over the last six weeks while the Board conducted a very comprehensive review of its operations and the allegations that were made," said Anthony Odierno, Chairman of the WWP Board. "It is now time to put the organization's focus directly back on the men and women who have so bravely fought for our country and who need our support."

About Wounded Warrior Project

The mission of Wounded Warrior Project® (WWP) is to honor and empower Wounded Warriors. WWP's purpose is to raise awareness and to enlist the public's aid for the needs of injured service members, to help injured servicemen and women aid and assist each other, and to provide unique, direct programs and services to meet their needs. WWP is a national, nonpartisan organization headquartered in Jacksonville, Florida. To get involved and learn more, visit woundedwarriorproject.org.

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