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**Case Study #5**

**MPA 430**

**Summer 2022**

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**Malfeasance in the charitable sector can take multiple forms. Read the posting from the FTC below, as well as the article in the New York Times (linked below), and answer the questions that follow. Links are on my webpage.**

[**https://www.ftc.gov/news-events/press-releases/2015/05/ftc-all-50-states-dc-charge-four-cancer-charities-bilking-over**](https://www.ftc.gov/news-events/press-releases/2015/05/ftc-all-50-states-dc-charge-four-cancer-charities-bilking-over)

[**https://www.nytimes.com/2015/05/20/business/4-cancer-charities-accused-in-ftc-fraud-case.html**](https://www.nytimes.com/2015/05/20/business/4-cancer-charities-accused-in-ftc-fraud-case.html)

**Questions:**

1. **Detail the type of malfeasance carried out by these four cancer charities**
2. **What internal controls might have stopped this? Or would they?**
3. **By the time the FTC moved, many millions of dollars had been wasted. What mechanism might have stopped this sooner?**
4. **Although the situation described in these articles is clearly malfeasance, how do we address charities that allocate little to their supposed cause, consuming most of donations to pay salaries and fundraising costs? Detail one possible solution.**