



# When Your President is a Traitor

How can you recover from the back-stabbing actions of a board president?

**Q:** How can we deal with someone who, while acting as our board president, formed a similar organization to compete against us? Can or should we take legal action against her? She continually uses inside information that she gathered as our president to benefit her new organization. For instance, she has usurped many opportunities that were presented to our organization and has applied for all the same government grants.

We have obviously removed her from the presidency, but she continues to try to shut us down with willful and malicious acts. Our organization is 13 years old, and we won't let this force us to close our doors, but it's difficult to function with this woman and her new organization interfering with our day-to-day operations.

**A:** What a difficult place in which to find your organization. Surely, the sense of betrayal is as devastating as the actual damage this woman has caused. Sadly, in today's world, these things do happen. Admittedly, though, it's more typical for someone to "redirect" donors to an already existing organization than to go through the hoops of starting a new one. Frankly, this is one reason why governance consultants often recommend that directors recruit people for board service who aren't already sitting on other boards—particularly other boards with similar missions.

The board must share some of the blame.

What's most interesting to me is that this woman felt the need to start a competing organization when she was sitting in the ultimate power position on your board. Was she promoted to the presidency without understanding and buying into the vision of your organization? Or, was the board intractable when she tried to move the organization forward to accomplish that vision? In either of these cases, the board must share some of the blame. However, that's not the question you asked.

You do have a legal leg to stand on if you choose to sue since board members have three legal duties,

one of which is the duty of loyalty. This duty requires that you make decisions in the best interests of the organization—not in your personal best interests and certainly not in the best interests of another organization! If you can document that this individual has willfully disregarded the duty of loyalty and, in addition, has done harm to your organization, you have a case. That case will be strengthened if you have—as you should—a conflict-of-interest statement signed by everyone, preferably each year. Whether you want to invest the time, energy, money, and potential loss of goodwill in pursuing the case would have to be your board's decision.

Have board members go out and talk with people—lots of people, including funders.

Whether or not you take legal action, I suggest your board and staff immediately begin discussing what sets *your* organization apart from hers (and other organizations with similar or overlapping missions). Set up opportunities to listen to what the community says it needs, rather than smugly determining that you know what it needs. Focus on the broad issues the community cares most about rather than on your internal concerns. For example, a senior care center that frames its appeal around its beds rather than on aging in America (the cost in lost productivity because workers have to care for sick parents or the stress on the Sandwich Generation) will have a harder time winning the community's hearts and minds.

Discuss how you can best share with the community your organization's unique contribution to the community's well-being. Have board members go out and talk with people—lots of people, including funders. Ask your volunteers and those who benefit from your services to do the same. Share your success stories—after 13 years you must have some great ones. Do these things and, pretty soon, you won't have competition—at least any viable competition. ■

*Terrie Temkin, Ph.D.*

*Founding Principal, CoreStrategies*

*TerrieTemkin@CoreStrategies4Nonprofits.com*

## Advertisers' Index

501(c) Agencies Trust ..... Inside Back Cover

NTEN: Your Nonprofit Technology Community ..... Back Cover

eTapestry ..... Inside Front Cover

RPS National Insurance Professionals Corporation ..... page 13