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## Executive Director Fired

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"I'm very proud of what we do, and we certainly do look after everybody. F or no F, the point is we do the right thing by veterans."

-Richard H. Esau, Jr., commenting in the *Washington Post* in December 2007 on the **Military Order of the Purple Heart Service Foundation's** F grade before being fired as its executive director

Mr. Esau's termination as executive director of the Foundation was due to his alleged misuse of charity funds, according to an ABC News article of August 2008. The article quotes Henry Cook, a former board member of the Foundation and outgoing National Commander of the **Military Order of the Purple Heart**, accusing Esau of conflicts of interest. Cook said that the daughter of a board member of the Foundation was hired by the **Intrepid Museum** in New York right after it received \$500,000 from the Foundation. The Foundation also gave \$100,000 to the **Marine Corps Reserve Officers Association** where Esau used to work and where his wife worked when the grant was given, according to Cook. ABC previously reported that according to Cook, the Foundation paid the Washington Redskins \$685,000 for advertising, which entitled Foundation officials to enjoy luxury box seats at football games.

AIP discovered that the Foundation was netting out fundraising costs, causing it to appear more financially efficient in its fiscal 2007 finances. Over \$8 million, or two-thirds of the expenses of its car solicitation campaign, were removed from fundraising expenses by netting these expenses from contributions.

The Foundation's fiscal 2007 statement of functional expenses reports that car campaign solicitation costs are nearly \$4.0 million, when in actuality these costs are \$12.0 million. In fiscal 2006 the Foundation reported all of its \$9.5 million in car solicitation costs in its statement of functional expenses and did not net these costs from contributions. Foundation spokesperson, Jon Austin told AIP that he could not say why Esau was terminated because the Foundation does not discuss personnel matters. When AIP asked Austin if the Foundation had implemented new safeguards or was operating differently since the firing of its former executive director, he said that is the same question asked differently and that he could not respond. The Foundation also did not respond to AIP's written questions.