

FOR IMMEDIATE RELEASE
December 20, 2005

Attorney General Hardy Myers today released a report detailing the findings of an 18-month audit of Goodwill Industries of the Columbia Willamette, Inc (GICW). The audit questioned whether annual compensation paid to Chief Executive Officer Michael Miller (\$731,030 in 2004) was reasonable. After the Department of Justice presented initial findings to GICW, the charity's Board of Directors agreed to adopt a new compensation policy and procedures designed to bring Miller's compensation into compliance with evolving standards.

“Our audit revealed that Goodwill's historic compensation structure did not meet our expectations of reasonableness,” Myers said. “However, I am pleased with the board's willingness to reevaluate its compensation guidelines. We are hopeful that Goodwill will continue to look closely at how its executives are compensated.”

In addition to the CEO compensation issue, the audit conducted by the Department of Justice Charitable Activities Section reviewed GICW's program services and representations made about them. The Department's

audit validates the beneficial programs that GICW provides to individuals with barriers to employment and the leadership role that Miller has taken in expanding those programs. However, it also found that Miller's compensation has historically fallen significantly outside the mainstream of executive compensation for like organizations.

There are currently no specific state standards that define reasonableness in terms of compensation for nonprofit executives. However, generally accepted procedures encourage consideration and approval by the Board of Directors relying principally on objective salary surveys of similarly situated executives.

Although recent public opinion polls indicate half of those surveyed believe that nonprofit executives are overpaid, the fact is that the vast majority of nonprofits struggle to pay adequate executive salaries. By publishing this audit, the Department of Justice hopes to encourage all charitable organizations to review executive compensation processes to ensure that they rely on appropriate salary comparables.

The complete audit report is available on the Department's website at:
www.doj.state.or.us

####

CONTACT: Victoria Cox , (503)229-5725