

Let Freedom Ring!

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LNC Meeting Report

August 6-7, 2005, Kansas City MO

by Sean Haugh

1) Zero Dues passes: BetteRose Ryan submitted a four-part proposal establish the zero dues proposal of George Squyres. Summary:

1) to set membership dues at zero effective 1/1/06;

2) to end the Unified Membership Program (UMP) effective 9/30/05 and offer UMP states a choice of either 6 months of full payments or 12 months decreasing by 1/12th each month beginning 10/1/05;

3) to develop programs and budget lines for training programs for state level activists, covering at minimum the following areas: ballot access, FEC compliance, fundraising, database usage, member recruitment, and candidate recruitment and training; and,

4) to develop a formal national-state affiliate

[LNC Meets] (Continued on page 2)

LNC Financials Challenging Is LNC Reform Irrelevant?

I have before me the LNC Financial Reports for the first half of the year (not to be confused with the FEC reports for the period), which reached my hands not from an LNC member.

They show some interesting challenges. The reports show 106,000 in accounts payable, including \$22,000 for UMP payments. We also owe \$11,000 or so in accumulated vacation time. Of the Project Accounts, the Branding Campaign has \$20,000, the Campus Fund has \$348, but the campaign/candidate fund is \$6600 in the hole, and the Ballot Access fund is more than \$28,000 in the hole.

These debts can be matched against current assets: \$3360 in the Federal Checking Account, a shade under \$1600 in the Convention Account, and a shade under \$900 in a third account, for a total cash on hand of \$5800. There are also various receivables, but the total somewhat liquid assets are \$33,000. (You may contrast these numbers with the FEC reports, which claim \$0.5 million cash on hand.)

Running an operation hand-to-mouth is one

[LNC Financials Challenging] (Continued on page 5)

Rally! End the War On Iraq

September 25, 2005 Amherst Common Noon-5 PM

The Pioneer Valley Libertarian Association and Liberty for Massachusetts are staging a Rally For Ending The War, complete with speeches and music. Information, speaker and folk/band volunteers outreach@LibertyForMassachusetts.org

Other September Rallies

September 17 Boston, MA Noon-6PM 16th Annual Freedom Rally on the Boston Common, sponsored by Mass Cann. Join Liberty for Massachusetts and others to do Outreach at the Pioneer Valley Libertarian Association Booth.

Candidate Web Sites

<http://www.jimcondit.org>

<http://www.billhees.org>

<http://www.libertyforamerica.com/wmlp/candidates/>

[Underwood_Robert_Spring_counc_en.htm](http://www.underwood-robert-spring-council-en.htm)

Ballot Access Audit

Last spring, the LNC National Chair asked me to do an audit on ballot access spending by the LNC last year. The following is compressed from that report. Let me begin by stating that Robert Kraus has been extremely cooperative and helpful in this effort. Recall that he inherited the financial records for last year. He did not create them.

The National Party for direct and indirect costs spent \$200,652 on petitioning, \$21,230 on litigation and related expenses, and \$48,576 on fundraising, office, and mailing costs. According to the LNC's FEC reports, the LNC also still owes \$12,499, but some of those reports are contradicted by other data. Freedom Ballot Access spent \$18,530 on ballot access efforts. The Badnarik Campaign itemized \$36,597 in ballot access expenses, which does not include spending to ship documents around the country to validate that Mr. Badnarik was our nominee.

Implications: I have two major issues: 1) Based on limited data from state organizations, parts of the ballot drive were extremely expensive. 2) In a fundamental sense, my audit was a failure.

To repeat point 1), the Ballot Drive became very

[Ballot Access Audit] (Continued on page 5)

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Let Freedom Ring!

(Continued from page 1) [LNC Meets]

agreement to be approved at the November meeting, which shall cover at least the following areas: ballot access, database sharing, LP News and material sales, an integrity clause, FEC compliance and adherence to common purpose.

Discussion: LP News would be sold by subscription; details up to the LP News editor. Jim Lark asked if everyone who signed the pledge would be considered a current member. How do we count people with old contact information? There is no requirement to supply us with current contact information. Squyres stated this proposal is culturally far reaching in setting dues to zero and completely changing the national-state party relationship.

Wrights said that zero is not an amount of dues which would be compliant with the Bylaws. Carling moved to postpone indefinitely with Wrights seconding. This failed on a voice vote.

Starr argued this was a motion to amend a previous action and thus required two-thirds approval. Dixon ruled against Starr. Starr's appeal to the body was defeated.

The division was divided in four parts. The votes were:
Vote 1: eliminate UMP, passed 10-5

Yes: Nelson, Sullentrup, Colley, McGinnis, Rutherford, Ryan, Breudigam, Hoch, Ryan, Squyres. No: Wrights, Redpath, Lark, Southerland, Starr. Not Voting: Dixon, Carling. Not Present: Karlan, Gilson

Vote 2: zero dues, passed 8-7-1

Yes: Breudigam, Colley, Hoch, Nelson, B Ryan, T Ryan, Squyres and Sullentrup. No: Carling, Lark, McGinnis, Redpath, Southerland, Starr and Wrights. Abstaining: Rutherford. Not Voting: Dixon. Not Present: Karlan, Gilson

Vote 3: training programs, passed 14-0-2

Yes: Breudigam, Colley, Hoch, Lark, McGinnis, Nelson, Redpath, Rutherford, B Ryan, T Ryan, Southerland, Squyres, Sullentrup and Wrights. No: None. Abstaining: Carling, Starr. Not Voting: Dixon. Not Present: Karlan, Gilson

Vote 4: affiliate agreement, passes 11-4

Yes: Breudigam, Colley, Hoch, McGinnis, Nelson, Redpath, Rutherford, B Ryan, T Ryan, Squyres and Sullentrup. No: Carling, Southerland, Starr and Wrights. Not Voting: Dixon. Not Present: Karlan, Gilson

I personally am a strong supporter of the zero dues model <http://www.libertyforall.net/2005/june14/Zero.html>. Mark Nelson was the person who sold me on the idea when I served on the LNC last term. George Squyres has worked hard to craft a very positive plan which I believe will help us become a much more viable political party.

2) FEC compliance

The LNC has been meeting in executive sessions over FEC compliance considering how to restructure party operations to

comply with FEC regulations. Rutherford moved to direct staff to not accept money from state parties that are not FEC filing committees and to investigate how to outsource material sales. The rationale is that a political party cannot accept corporate-paid ad or product sales but a separate organization could. It appears to be assumed that Cloud will remain LP News editor. Wrights continues to advocate that the LNC consider fighting federal regulations, but the board prefers full compliance as fiduciary responsibility.

3) APRC reinstated and Exit Strategy response

Dixon reported that he knew of the topic of the white paper for the Iraq Exit Strategy (IES) in advance but had not reviewed the text prior to publication. Dixon appeared on the Alan Colmes national radio show to talk about IES. He said that the IES gives us a great opportunity to talk to America about things no one else is saying. The Lew Rockwell article critical of the IES brought in at least 1800 extra hits to our website. The next white paper, on the so-called war on terror, must drop soon. Lark brought forward a proposal to reconstitute the APRC. This committee reviews all party materials for conformance with the platform and statement of principles. The APRC would only contain LNC members. In my view, this is a significant improvement: The LNC fully accepts its responsibility as ideological caretakers of the party. The amended motion to restore the APRC passed 11-5:

Yes: Colley, Hoch, Lark, McGinnis, Redpath, B Ryan, T Ryan, Southerland, Squyres, Starr and Wrights.

No: Breudigam, Carling, Nelson, Rutherford and Sullentrup.

Lark, Nelson and Wrights were appointed to the APRC.

4) Executive Directors Past and Future

Friday August 5th was Seehusen's last day. Shane Cory will fill in as chief of staff until a new Executive Director (ED) is hired. Dixon will retain the authority of the ED position now. He added that Cory was hired in part for his leadership skills, and cited the recent progress on fixing our database as an example. The Employment Policy and Compensation Committee (EPCC) headed by Colley will conduct the search for a new ED. Colley will be spending time in the office in the fall to assist the transition. On Sunday, Nelson made a motion to transfer \$65,000 in the budget from salary to professional services, both to reflect how our money is actually being spent and to fund the executive search. This passed by a voice vote. Send your resumes and letters of interest to Sam New at HQ. While this has never risen above the rumor stage, the only tangible reason I have heard about the timing of Seehusen's resignation is that it was in response to the infamous Raiser's Edge resolutions of the Executive Committee between this and the previous meeting. Colley was the only one to publicly acknowledge that Seehusen mentioned this as a factor in his decision to leave

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5) Personnel Matters

The time in the meeting for staff reports became an extended question and answer session about the status of many projects and operations, often returning to the basic questions about the staff-board relationship. Starr asked Cory directly what his biggest challenges were and how the LNC could best help with them. Cory replied that we need "heroes of the party" we can present to the public. He also said there needs to be better communication with the state parties, and that better conduits of communication need to be created both with the state chairs and the membership as a whole. Staff member Chris Thorman had been assigned before the meeting to call all the state chairs or EDs to establish some more direct communication, using the task of confirming the states' information on the website. Contacting the states in this way proved more challenging than expected according to Cory.

Cory reported that the database work demanded by the EC resolution was two thirds complete, with the last part, the final merging of phone and email fields, due to be finished by September 1st at the latest. Robert Kraus is the person to contact problems regarding the database. A motion to rescind the EC's resolution passed by a unanimous voice vote.

The move of the office to Suite 200 in the Watergate building is being held up due to a dispute with the landlord. The last major issue remaining is upgrading a wall in the call center to improve the wiring and bring it up to the electrical and fire code standards. The wall and the wiring within it had been put there by the previous tenant. The landlord had maintained it was our responsibility to do this work, but we are begging to differ. The move will happen when all these things are resolved. The new lease is for six years.

Since the meeting, Jessica Wilson has given her notice. She will be accepting a new job in South Carolina. Cory reported that we are also hiring more people to staff the call center.

6) Finances and How We Get Them

Nelson reported that our finances are considerably improved since Seehusen took office two years ago. He questioned the approach of chasing membership and then pounding them with direct mail. He proposed that we put more emphasis on monthly pledges. Pledge revenue per member is down from about \$1.50 to \$1.00. Direct mail revenue per member is also trending downward, and membership is down slightly in the last month. Nelson said we should look for a better rate of return, for example by using our database to target fundraising by omitting mailings to our members who don't respond to fundraising letters.

Dixon reported that there was little response from members to recent mailings calling for groundswell actions such as petitions to various government figures. Lark emphasized the need for member feedback to select issues. Dixon said that recent innovations on the website gives us far more direct feedback from the membership than direct mail. Colley suggested that we value the high level networking practiced by Seehusen over lobbying. New is continuing our program to have a presence at meetings and conferences of fellow traveler organizations. Cory added later that we can keep the high level donors

to our lobbying and public policy campaigns if they see results from their donations.

On Sunday, Moulton presented a motion to limit the direct mail coming from national and requested a roll call vote. After some discussion which mostly expressed concern about the proposal, the motion failed 2-12-1, as follows:

YES: Hagan, Moulton. NO: Breudigam, Carling, Colley, Hoch, McGinnis, Nelson, Redpath, B Ryan, T Ryan, Southerland, Starr, and Sullentrup. Abstaining: Wrights. Not Voting: Dixon.

Nelson speculated that one bad letter or another minor catastrophe might be enough to push us over the edge into more dire financial circumstances. We need to increase our cash on hand to be greater than our accounts payable. As of July 31st our accounts payable stood at \$125,695. While this is \$10,000 more than the figure at the end of June, Nelson noted that this still represents an improvement as the percentage of accounts payable past 30 days due had decreased from 60% to 43%. He warned that the 2006 convention is a potential financial land mine. We have not yet even completely recovered from the effects of the losses on the 2002 convention. Keeping convention costs under control and its funds strictly segregated are essential to its success.

Colley asked about cancelled pledges and how to turn that around. He asked Cory if there were plans to follow up regarding recently cancelled or uncharged pledges. Cory responded that there was no current plan to do so but that it could be done.

After the vote to abolish membership dues, the LNC scheduled 20 minutes on Sunday to discuss new revenue streams to replace this dues money. This turned out to be a distracted and frustrating enterprise with few bright spots. This twice resulted in a successful motion to extend the discussion for another 20 minutes until something could actually be accomplished.

Starr began the discussion with a motion calling for the immediate cessation of any solicitations for new or renewed memberships. He said it would be wrong of us to continue soliciting

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annual memberships when dues paying memberships will only be available for another four months. It was pointed out that a contribution of \$25 or more would still result in an annual subscription to LP News and other benefits currently received by dues paying members.

The discussion sadly devolved into the worst parody of bureaucracy with suggestions of how to compose and print a letter, using money and staff time they do not have, explaining everything to the last detail in place of the usual membership letters. The only issue they failed to debate was what color paper these letters should be printed upon.

Rutherford expressed his frustration by pointing out the purpose of this session was to focus on the big issue of generating revenue. Starr became more impassioned as he made his case, clearly portraying this as a moral issue, to the point where he earned a rebuke from Dixon. Frankly, while Starr did go a little over the top, he was absolutely right in my view - in this context, it is simply immoral to continue to sell a product that you know you are discontinuing.

Starr's motion failed 5-11:

YES: Carling, McGinnis, Redpath, Southerland and Starr.

NO: Breudigam, Colley, Hoch, Lark, Nelson, Rutherford, B Ryan, T Ryan, Squyres, Sullentrup and Wrights.

Tony Ryan moved that the Chair include a cover letter with membership renewal solicitations explaining the benefits of renewing, including LP News and increased delegate allocation for one's state party at the national convention, and that a similar explanation be published via LP News and the State Chairs' email list. This passed 10-5 on a show of hands.

Lark suggested we return to the status quo of \$25 dues and allow the convention make any changes. He predicted that the LNC may have cause to reconsider their decision to abolish dues.

Starr moved to create a Finance Committee with Rutherford as Chair. Dixon spoke during the debate of the LNC's transition over the years from a strong staff with a weak board to the opposite. The motion passed 11-5:

YES: Breudigam, Hoch, Lark, McGinnis, Redpath, Rutherford, Southerland, Squyres, Starr, Sullentrup and Wrights.

NO: Carling, Colley, Nelson, B Ryan and T Ryan.

Nelson reported that the abolition of dues would be by itself a net financial gain for the LNC. The lost revenue from memberships would be more than offset by the end of UMP membership solicitations and renewals.

One critical bit of information raised by George Phillies that was barely discussed during the burying of his Ballot Access audit commissioned by Dixon is the discovery that there is no paper trail recording each transaction. This is how it was possible for many checks to be written for ballot access expenses which cannot now be documented. Phillies suggested in his report that there should be a file for each and every transaction, even if it is simply a handwritten receipt noting the check number and purpose.

7) Miscellaneous

New Vision brochure unavailable: Squyres expressed concern that the "New Vision for America" brochure is out of stock and that it would cost \$12,000 we don't have for a minimal reprint run. Cory said the original artwork for that brochure is lost and would need to be recreated, adding more to the cost. The price of the brochure may have to be increased to cover these costs whenever we can reprint them.

The Bylaws Committee was encouraged to develop a proposal to eliminate Article 6, calling for an LP Program,.

The Libertarian National Congressional Committee (LNCC) has not yet filed its articles of incorporation. Carling reported that no one had yet been hired for the 2004 independent audit. He claimed that they were still waiting for the final financial statements for last year. Nelson replied that these had been distributed at the LNC meeting in February, and agreed to resend them to Carling.

Convention: Dixon said he was in the process of hiring a professional event planner to manage the convention. Lark is working with the Oregon LP, and Nelson is gathering information from the most recent convention. The meeting planner Dixon is considering is based in Seattle and would handle processing registrations and payments, marketing and similar operations at a cost of \$3000 a month. Nelson pointed out there is no budget line yet for the convention. Staff had been asked to bring one to this meeting, but with Seehusen's resignation this was not completed. Dixon said he would take responsibility for preparing this for the next meeting.

SPT Review: There was no review of the Strategic Plan (SPT) as was suggested at the previous meeting. Even before the resignation of Seehusen and the vote to abolish dues, both of which contributing to a full two day agenda, this item pretty much died due to a lack of interest. It is doubtful the LNC will take up any SPT review during this term.

Future meetings: The next meeting of the LNC will be November 11-12, 2005, at the Embassy Suites in Baltimore, near BWI airport. The following meeting will be March 11-12, 2006, at a location in south Florida to be determined. The last LNC meeting of the term will take place in Portland immediately before the convention in late June. There is also scheduled a conference call of the Executive Committee for Wednesday, September 21st. Also of note, the annual State Chairs Conference is scheduled for Phoenix, January 28-29, 2006.

This report is funded by your generous donations. I can only continue to provide them if you contribute. All donors to my meeting report fund receive my LNC reports and articles as they are submitted for publication. (You may also read these reports and more LNC news on my blog, The NC Way, at ncway.blogspot.com.)

Please contact me at seanhaugh@mindspring.com or 919-286-0152 to find out how you can help. Also feel free to call or write if you have any follow up questions on this report.

(Continued from page 1) **LNC Financials Challenging**

thing, but when your cash on hand is less than 4% of a month's budgeted expenses, the juggler at the check book must have a truly fine hand.

The budget calls for \$155,000 a month in income, taking the planned year total to \$1.8 million. Actual income for the year has been

Month	Dues& Contributions	Total
January	89,000	101,000
February	87,000	99,000
March	169,000	185,000
April	139,000	149,000
May	95,000	110,000
June	80,000	107,000
Total	660,000	752,000

For July, contributions as reported to the FEC totalled \$101,196. Based on the last comparable year (2001) second half income may be slightly better than first half income. It is still difficult to project more than 1.3 million dollars in income for 2005, well under the projected 1.8 million dollars. On the other hand, dues for the first half year amount to \$315,000, the equivalent of more than 12,500 members, more than 2000 members per month, so we did not lose ground for the half year. However, in May and June the membership/renewals came to \$33,000 and \$31,000, referring to 1200+ new and renewed members each month, corresponding at equilibrium to about 16,000 members including life members.

Where is income lacking, relative to budget? For the half-year: Memberships were \$123,000 short. Direct Solicitations were \$54,000 short. Pledge income, budgeted at \$240,000, delivered \$164,000. Donations came in at \$262,000, slightly above the \$240,000 budgeted, but in the end fundraising was \$230,000 less than budgeted. Fortunately, program income was \$91,000, far above the budgeted \$27,000, but total income was still \$178,000 low.

Expenses tell a slightly different story, in that total expenses for the first half year were

Month	Expenses
January	148,000
February	145,000
March	130,000
April	130,000
May	116,000
June	136,000
Total	804,000

For the first half year, the total expenses were \$804,000, under the budgeted \$926,000, but the cash outflow for the first half-year was still more than \$50,000, and at this point the cupboard is bare.

And in not spending the last \$122,000, where did we make cuts?

Building occupancy was scheduled for \$55,000, and that is what we spent. Operations: supplies, postage, printing, and finance charges were scheduled for \$75,000; we spent \$79,000. "Professional Services" were scheduled for \$22,500;

we spent \$23,000. Governance cost only \$6,000 of a budgeted \$15,000. \$94,000 were budgeted for fundraising expenses; we spent \$135,000, the overage being largely for membership renewal recruitment, on which \$58,000 was spent of a \$24,000 budget. Staff came in low, \$238,000 of \$293,000 budgeted. And for 'program expenses', we spent \$250,000, far under the budgeted \$357,000. The Program Expense that was not expended was almost entirely the Outreach Expense, where in the first half year we spent \$97,000 less than budgeted.

The places where spending came up short where places where we would be doing politics.

The difference: We were low \$178,000 in income and \$122,000 in expenses, meaning that reserves and debts moved us \$56,000 to the negative. And now the stone wall has been reached. There is no money left to cover further losses.

(Continued from page 1) **[Ballot Access Audit]**

expensive. Some petitioners were apparently paid not only at a per-signature rate but were also paid for travel and lodging. This increased actual costs per signature from \$1-2 per signature up to \$3-4 per signature. Having run for Federal office, I find payments other than piecework to be unconventional. Because no contracts or invoices with petitioners have been found, I cannot in general be more specific as to who was paid what.

To repeat Point 2, my Audit had serious failures. There are two problems:

- The National Committee lacks basic financial records. There are spreadsheet entries. There is no paper trail that could be found for the audit backing the spreadsheet entries.
- Money was disbursed without any agreement as to what reports would be due from states and persons receiving money. Correspondingly, most states have ignored my requests for information.

I gather from Mr. Kraus that the previous policy in party headquarters was that whoever was working on a project would put the financial records in a file folder or folders. I have asked repeatedly for the folder that matches this audit. If there had been a folder for last year's ballot access drive, it has not been found, despite a diligent search. There are no records as to who authorized any particular expenditure. If there were ever a dispute as to who authorized a payment, there might be no way to resolve the question. Mr. Redpath claims all expenditures were approved by the National Chair, but there are no records to validate his assertion.

The National Committee has voted "Projects shall be self-funding and shall expend or obligate only money which has been received unless such expenditures or obligations are approved in advance by the LNC." To carry out this rule, either a separate bank account would be needed or there would need to be a list of receipts, by date, that could be matched against expenditures, by date, to ensure that expenditures and obligations did not go beyond receipts. I have found no indication that such a list of receipts was ever created. If it did exist, it was ignored, as witness the ballot access fund's substantial debt.

...George Phillies

Editorial

LNC Finances and Related Issues

In this column, I will discuss the new zero dues policy and interesting features from the LNC Minutes.

Zero Dues Policy

The LNC moved to a Zero Dues Policy, to be described in Sean Haugh's column, and ended the UMP program. Starting in January, you will become an LP member by signing the pledge. Dues will be set at zero. The UMP phaseout starts at the beginning of October. States in the UMP will receive at most six months of UMP payments at their September level, and UMP payments will then end. Of course, this year the LNC has already set dues at \$25 and \$50 as well, so it is not an excellent bet that the dues will stay at zero, rather than being increased again before January. Until January, if you want to renew, you must pay your \$25, but on January 1, you no longer need to pay.

There is an undefined plan to convert LP News to a separate product line run outside of the National Headquarters. This change would permit LP News to take corporate ads, and would mean that if you wanted LP News you would have to pay for it in addition to paying, well, nothing, to belong to the national party. There was some debate on the LNC about whether \$0 is a valid dues level under the Bylaws. Parts of the Bylaws were written by people who clearly assumed that there would be National Party dues. One may debate whether 'zero' is a numerical value for dues, or the absence of dues. The Bylaws do not say specifically. There is a historical precedent, namely that most of a decade ago under the "P Transaction" the LNC generously turned large numbers of Harry Browne donors into paid-up members, even though the LNC received no cash for them. There has never been a challenge on the LNC to this peculiar transaction, so the precedent is that 'zero dues' were already accepted.

The implications for state parties are substantial. Many state parties had UMP as a substantial source of income. That money will be gone. Furthermore, at least some states went out and asked people to renew through them, meaning that when people renewed, they sent their money to the State Party, including a yearly donation. In many states, that money was retained by the State Party. That donation money is now also gone. For state parties that are substantially inactive, that have no fundraising and little active organization, there may be severe challenges. On the bright side, the LP appears to have several state parties that are shell organizations that do not actually do politics, and the collapse of those shell organizations, like the dead oak falling in the wilderness, may clear a space in which new trees may spring forth.

My sources indicate that the LNC gave little consideration to the financial implications of their decision. The National Treasurer did assert that as a result of the Zero Dues policy the national party will have a net positive financial return. However, a large part of the positive financial change arises because the LNC ended the UMP program, not because it reduced dues. Also, some number of people make an annual donation at the same time that they renew their membership, and if we are no longer

asking people to send in membership checks they will probably not be attaching donations either.

For May, National Party Memberships by state were apparently were: AL 222 MT 64

AK 114	NE 79
AZ 364	NV 256
AR 89	NH 209
CA 3271	NJ 459
CO 535	NM 193
CT 243	NY 708
DE 67	NC 461
DC 60	ND 22
FL 1091	OH 715
GA 841	OK 130
HI 82	OR 359
ID 79	PA 789
IL 700	RI 34
IN 543	SC 194
IA 187	SD 34
KS 178	TN 325
KY 135	TX 1163
LA 137	UT 127
ME 98	VT 72
MD 388	VA 690
MA 448	WA 649
MI 802	WV 70
MN 299	WI 290
MS 62	WY 49
MO 310	OTHER 762

The Small Government Blog reports data that these numbers are inflated <http://www.smallgov.org>.

The LNC Business Model is Not Acceptable

I emphatically call your attention to:

My ballot access audit: *'a) The National Committee lacks basic financial records [on ballot access spending]...There is no paper trail that could be found for the audit backing the spreadsheet entries.'* This is dotcom financial management.

My ballot access audit: *'Mr. Redpath claims all expenditures were approved by the National Chair, but there are no records to validate his assertion..'* That report was discussed at the last LNC Meeting. I am assured by the Vice Chair that there is no doubt that the report is true. I remind readers of the Policy Manual *"Projects shall be self-funding and shall expend or obligate only money which has been received unless such expenditures or obligations are approved in advance by the LNC."* When money is taken from our Treasury in direct violation of an LNC vote, then the members are entitled to insist that the statement of principles has been violated by someone.

Mr. Haugh's LNC Meeting Report *"Dixon reported that he knew of the topic of the white paper for the Iraq Exit Strategy (IES) in advance but had not reviewed the text prior to publication.."* We are talking about politics, our principal product here. We are talking about a new class of products, white papers, from our tiny business enterprise. The CEO is not checking product quality.