

Let Freedom Ring!

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Mathias at 10%

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Babka Defends ALF

Let Freedom Ring! has been supplied with a copy of the well-reasoned presentation from Jim Babka, President of the American Liberty Foundation, describing why the ALF is in compliance with the Libertarian National Committee's resolution on the Browne-Willis affair. The presentation explains the great challenges facing anyone trying to operate a 501c(3) organization. According to the documents the ALF operating team "... believed then, and we still believe, that the resolution allowed us to rent the list with Perry Willis as President." Willis has nonetheless been replaced by Jim Babka as President, with Willis assuming other roles.

Babka supplied Lark, among other things, with a draft memo dated September 4, 2001, and permission to circulate the memo. The draft said: "In accordance with the resolution passed by the LNC on August 26, I have submitted a request that the Libertarian Party

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Gorman to LNC:

Don Gorman has written the LNC concerning support from someplace in LNC, Inc. for the 1996 Browne Campaign. Reprinted by permission of the author:

Dear LNC Colleagues,

I hope everything is going well at the meeting and I'm sorry I cannot attend. [GP: The LNC October Meeting] I would like to have this report read before or during negotiations of Steve Dasbach's contract. We have been gathering this information recently and have not had time to fully evaluate its content. However, at the very least, I would ask that contract negotiations for Mr. Dasbach be postponed to the December meeting so that we will have time to research these matters more fully.

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In the Special Election for the Ashland-Framingham State Representative District, the outcome was

Mathias 252 10%
Horrigan 713 28%
Spilka 1592 62%
Total 2557

For a Libertarian in a serious three-way race, Craig's performance was astounding. A search of 1996 election returns reveals dozens of three-way races with Libertarian votes of 2-4%. John Coon's Michigan State Rep race reached 16% —but his campaign had massive funding from Libertarians across America. [Mathias did receive \$500, the legal limit, from the Massachusetts Libertarian Party.] Running for U.S. Senate, Carla Howell of Massachusetts got 12% of the vote—against a Republican with no party support.

For Craig Mathias's full report on his race and lessons learned, see his article in this issue of *Libertarian Strategy Gazette*.

Suppress Terrorism

Massachusetts Public Policy Questions are non-binding referenda urging state legislators to do things. Petitioning is next Summer, by legislative district, needing 200 signatures for a State Rep District and 1200 signatures for a State Senate District. With the War on Terrorism now replacing the War on Drugs, we offer "The representative is instructed to support legislation making issuance of Massachusetts gun permits 'shall issue' at level "Class A" to all legally eligible persons, upgrading all current permits to "Class A", and—to maintain public safety under "shall issue" conditions—requiring all Massachusetts Public Schools to establish an age-appropriate compulsory program of instruction in light arm safety, use, and care for all children not disqualified by religion, conscience, or physical, mental, or legal

Support Liberty! Subscribe to Let Freedom Ring!

(Continued from page 1) [Babka Defends ALF]

rent its mailing list to the American Liberty Foundation. Since I anticipate Mr. Dasbach may seek your advice on this decision, I would like you to be fully aware of how the Foundation operates. Specifically, I want to address any questions that might arise as a result of this application as regards the resolutions the LNC passed regarding Perry Willis.

At the LNC meeting, a resolution was passed that prohibited Mr. Willis from renting the LP list for his own benefit or profit for a period of five years. This prohibition was to apply to organizations that Mr. Willis might own or control. During debate it was made clear, both by the maker of the original motion, Elias Israel, and by the individual who amended it to its final form, Mike Dixon, that the resolution clearly distinguishes between organizations owned by or for the benefit of Perry Willis (which would be subject to the prohibition) and those organizations that chose to contract with him, employ him, or otherwise request his services (which would not be subject to the prohibition).

Based on my observation of and my notes from the LNC meeting, I believe American Liberty Foundation fits into the latter category and is therefore qualified to rent the list under normal vendor conditions.

A question that may arise is whether Mr. Willis owns or controls the American Liberty Foundation. He does not.

American Liberty Foundation is a public charity, classified as a 501(c)(3) non-profit organization under the Internal Revenue Code. Because of American Liberty Foundations status as a public charity, neither Mr. Willis nor any other single individual can legally own or control American Liberty Foundation. Individuals cannot own stock and are forbidden from receiving a permanent ownership benefit of any kind.

This law directly affects governance of the organization. American Liberty Foundation must have a board of directors, which has complete control of the organization, and each director must have an equal vote individual directors are prohibited from having a majority share.

Mr. Willis is not on the board of the American Liberty Foundation. He is appointed by, and serves at the discretion of, the board. Of course, as President of American Liberty Foundation, Mr. Willis does many tasks that any chief executive would undertake, both legally as a corporate officer and in the day-to-day management of the organization.

As an additional point, no individual can receive

an undue benefit from a 501(c)(3) organization. The IRS has been increasingly aggressive on this point. In the IRS view, an undue benefit can take many forms. It can be too high a percentage of an organizations gross revenue going to one person. It can be a set of unrelated and unusual benefits going to one person. It could be as simple as paying someone above market rate for the work he does as a contractor or employee.

Obviously such restrictions would be silly if applied to any for-profit endeavor. If you or I owned a business, our very existence would be devoted to developing as much benefit to ourselves as possible. And neither of us would hand over control to any three people to determine what we can or cannot do with our enterprise; or even whether it remained our enterprise. This further demonstrates that American Liberty Foundation is not owned or controlled by Mr. Willis.

Since American Liberty Foundations status as a tax-exempt charity is so important to its mission, we are taking every possible precaution to avoid running afoul of the IRS regulations. American Liberty Foundation only recently received its tax-exempt status after spending more than \$4,000 in legal fees and waiting nearly six months for approval. And even though approved, American Liberty Foundation is in a review period, which is much like probation. We will take no action that might risk American Liberty Foundations 501(c)(3) status.

These circumstances should persuade any reasonable person that Mr. Willis doesn't own or control the American Liberty Foundation, and that he cannot derive any undue benefit from it by reason of his position or the work he is doing for the organization..."

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(Continued from page 1) [Gorman to LNC]

I believe that Chairman Lark's report on the Willis matter contains new evidence of further wrongdoing. As a former Presidential candidate I understood the evidence at once. The issues are rates and terms for mailing list rental.

1) The LNC has for many years rented its 'current membership list' at \$125/1000 names. It did in 1995 when people were exploring a campaign for Mr. Cowan. It did this week, when Ed Thompson's campaign in Wisconsin rented the list.

What did Harry Browne pay? He paid 125/1000 in early January and early February 1996. But in late January, 1996 Harry was only charged \$62.50/1000, a rate no one else gets.

Here's a partial quote from Chairman Lark's report:

"According to invoice, campaign rented current member list for \$1766.50 (14,132 names at \$125/1000 names), lapsed member list for \$1785.90 (17,859 names at \$100/1000 names), and paid a charge of \$15.50 to FEDEX something on behalf of Michael Cloud. Invoice paid on Jan. 23, 1996.

Invoice from LP to Browne campaign for \$3543.00 on Jan. 17, 1996. According to invoice, campaign rented the current member list for \$833.25 (14,132 names at \$62.50/1000 names), the current member list for \$833.25 (14,132 names at \$62.50/1000 names), the current member list for \$833.25 (14,132 names at \$62.50/1000 names), and the current member list for \$833.25 (14,132 names at \$62.50/1000 names), and paid a charge of \$10.00 to FEDEX something on behalf of Michael Cloud. [Note that's four rentals of one list, matching the \$3343 in the invoice.]

Invoice from LP to Browne campaign for \$1865.75 on Feb. 6, 1996.

According to invoice, campaign rented current member list for \$1865.75 (14,926 names at \$125/1000 names)."

We see here one rate for Mr. Browne, another for everyone else, as set by Mr. Willis. Someone appears to owe the LNC \$3233. And interest.

2) I have rented the 'current member list' myself. I know other people who rented it. The payment terms are always 'cash in advance'. Those were the terms given my own campaign. Those were the terms quoted Mr. Cowan's 1995 exploratory effort before he decided not to run. I was very surprised to read Chairman Lark's statement about Browne's unpaid mailing list invoices:

"The invoices from January, February, March, April, and June were paid (total: \$11185.01) on July 3, 1996. At this time, one cannot conclude from this information that the Browne campaign received special treatment, because as far as we can ascertain there are no clear examples of other enterprises or campaigns that received different treatment. However, it appears that the national office under Mr. Willis' direction exercised a considerable degree of forbearance concerning the Browne campaign's list rental payment performance in the first six months of 1996."

No clear examples of different treatment? Mr. Chairman, I did not receive a six-month "loan", and every other enterprise or campaign we have checked that rented those lists got different, less favorable treatment, going back from this week through to living memory of 1993.

Don Gorman, LNC Member-at-Large

For the large fraction of us who have not been on a Presidential campaign team, the LFR Editorial staff has some clarifications and observations.

First, LNC, Inc. is a large, complicated organization, with staffers, 4 National Officers, 5 At-Large members, 9 Regional Representatives, 9 Alternates, paid staffers, interns, contractors,... and it is exceedingly likely that some of them did not know what was going on. Blaming everyone without exception is not appropriate, because some people on the LNC did raise some objections, though not the loan to Browne when it appeared on LNC FEC reports.

Nonetheless, the report of Chairman Lark alluded to by the Honorable Donald Gorman, 4-term elected State Legislator of New Hampshire, has several interesting features. In particular, not only did the Browne campaign get to pay in July for a January mailing, but *it got to pay at half the normal rate.*

That's not a loan. That's a direct cash subsidy—as effective as a bag of money tossed over the transom—of \$3332 from LNC, Inc. to Harry Browne's 1996 campaign. No matter who approved the subsidy, the special rate appears to be a clear violation of National Committee Rules and policies. Furthermore, as a gift in kind to the Browne campaign, the LNC special rate should have been reported by the LNC on its FEC filings so that the American people—meaning in particular the supporters of the Tompkins and Stiff campaigns—could have found out about it. Instead, Rick Tompkins spent months trying to get a disk of delegate addresses, got excuse after excuse, and finally was sent a defective disk, so he was never able to mail to delegates at his expense without LNC subsidy.

Paid Staff—A Sad History

For those of us who have been following this issue for the last 25 years and/or have investigated our state and national party history regarding LP offices and paid staff, the story has been quite consistent. It is unfortunate that there is no central historical documentation available.

Every time the idea surfaces anew, it seems like a good idea. Why not hire some full time "professional" to do those things none of us part-time "amateurs" have the time or expertise to perform.? It is usually easy to raise the initial seed money and hire some available Libertarian and rent an office. Problems begin to happen when the paid staff want or need more income and/or additional staff. Mission creep begins to move the actual party mission away from the stated party mission. Generating enough income to support the paid staff becomes the actual mission. The original lack of expertise and/or commitment from the state committee that prompted the hiring of the staff begins to manifest itself in the inability of the board of directors to act in the chief executive function managing what essentially should be an "operations office". When the power vacuum causes the paid staff to assume the CEO function the mission shift becomes complete.

The adventure ends with the ED either resigning, getting fired or a reorganization of the state committee after a convention, or a series of board resignations, or just running out of money to support the operation.

This scenario has played itself out numerous times in different states with multiple occurrences in the same state separated by enough time that the new state committee knows nothing of the details of years past.

The official story puts the best public face on the circumstances so that few people outside or inside the state know what happened.

...John Famularo

Letter

George,
I am especially shocked at the LNC granting Browne special favors in using the mailing lists. The saddest part is most of the rest of us, not having been blessed by hiring one or another of the People in Power to run our campaigns or projects never think to ask for such favors. We simply send a check for what we can afford. Few of us ask for something without paying for it, usually in advance. (I think that is the rule for ads for LP News).
Liberty,
Gail Lightfoot

Is It Happening Here?

(From a longer message from Concerned Citizens Opposed to Police States)

"Under the definitions of "terrorism" in Section 411 of the newly signed USA-PATRIOT Act (HR 3162, now Public Law 107-56), you too may be a terrorist -- depending on what some future bureaucrat decides.

You can be a terrorist if you:

Belong to any "group of two or more individuals, whether organized or not" that commits acts that are *arbitrarily and unilaterally* defined by the U.S.

Secretary of State as terrorist

"Gather information on potential targets for terrorist activity ... solicit funds or other things of value for... a terrorist activity [or] a terrorist organization."

CCOPS reminds us that it all depends on the Secretary of State. They also write "But worse, the FBI has now "discovered" that it's had the authority all along to *order* every ISP in the nation to re-configure its e-mail systems to enable broader, easier FBI snooping. And that's what the police agency is currently doing, using the Clinton-era Communication Assistance to Law Enforcement Act (CALEA) as its pseudo authority. The implementation is expected to take about two months

For much more information: <http://www.ccops.org/> or POB 270205, Hartford, WI 53027

News

Chris Azzaro reports that Bonnie Flickinger, Libertarian Mayor of Moreno Valley, CA, has announced that she is definitely going to run for the Riverside County Board of Supervisors. Mayor Flickinger has won three elections to the Moreno Valley City Council and has held office there for over 10 years. Moreno Valley (pop. 140,000) is the largest city on Riverside County. It's also the largest city in America to have a Libertarian Mayor. Flickinger for Supervisor, PO Box 1492, Moreno Valley, CA 92556.

Through successful fundraising, the Liberty Tree Small Government Low Taxes Political Action Committee made a substantial contribution to the Mathias Campaign and a maximum contribution to the Horton for City Council Campaign.

Russell Means, who had planned to run for Governor of New Mexico as a Libertarian, has left the Party. He apparently gave no advance warning to the LPNM. Joe Knight, chair of the New Mexico Party, reports that the LPNM will run a real Libertarian for Governor, and warns Libertarians that support for Means equates to opposition to the LPNM's quest for ballot status.