

LNC Executive Committee Meeting

Teleconference

May 23, 2001

REVISED DRAFT

Present: Jim Lark, Chair
Dan Fylstra, Vice-Chair (joined the meeting during the Setting of Agenda)
Deryl Martin, Treasurer
Steve Givot, Secretary
Ken Bisson (IN), At Large Representative
Joe Dehn (CA), Region 2 Representative

Also present: Lois Kaneshiki (PA), At Large Representative
Mark Nelson (IA), Region 1 Alternate
Dan Wisnosky (NV), Region 2 Alternate
Ben Scherrey (GA), Region 4 Alternate
Richard Schwarz (PA), Region 5 Representative

Staff: Steve Dasbach, National Director
Ron Crickenberger, Political Director
Bill Hall, General Counsel

Lark called the meeting to order at 8:35 PM EDT.

Item: Setting of Agenda

Dehn asked to add a discussion item regarding allowing membership recruitment projects to be funded by affiliate parties.

The revised agenda was adopted without objection.

Item: Approval of the Minutes of the May 2, 2001 Executive Committee Meeting

Martin moved that the minutes be approved as submitted.

Fylstra seconded.

The motion passed by a vote of 5 to 0. Lark abstained.

Item: Chair's Statement

Lark apologized for lack of a timely notification to LNC members about the cancellation of the May 16, 2001 Executive Committee meeting.

Lark noted the resignation of Sara Chambers due to her pending relocation to Alaska and thanked her for her good work on the LNC.

Lark thanked Dexter for his service as Chair of LPUT for five years and thanked him for his service to the LP in that capacity.

Item: National Director's Report

Dasbach asked Crickenberger to report on the status of the ballot drive in NC.

Crickenberger said that the ballot drive in NC appears to be complete and that all signatures have been turned in to the state for verification. He said that some of the signatures have not been verified by the counties, but the expectation is that LPNC has submitted about 200 more valid signatures than required.

Crickenberger said that LPNC has done a good job of supporting its share of the ballot drive and that LPNC has done more than they would normally be expected to do. He said that the typical expectation is either \$25 or 25 volunteer signatures per member in the state. He said that LPNC has raised about \$32,000 and gathered about 12,000 volunteer signatures.

Crickenberger said that in an environment in which the national party were in a stronger financial position, he would have sent additional funding to LPNC already.

Lark asked Crickenberger for an update on the ballot drive in NE. He said that he had heard from LPNE Chair Drew Sullivan that the requirements for signatures in certain counties might be of concern.

Crickenberger said that he is not aware of any problem in NE.

Fylstra asked Crickenberger for his sense as to how needed or justified LPNC's request for a \$2,000 loan is.

Crickenberger said that if the LNC sent another \$1,000 to LPNC, he believes that they would be pleased. He said that if additional funds are sent to LPNC, he would recommend that it be in the form of a contribution rather than a loan.

Dasbach said that the first few days' responses to the most recent fundraising letter appear encouraging. He said that he guesses that the letter will bring in about \$100,000 which is better than average. He said that this letter expresses a sharp deadline. He said that his experience is that such letters tend to do well, but that they also tend to show strong initial responses but that the responses tend to tail off sooner than other letters. He said that there is a great deal of variability in how funds arrive in response to all fundraising letters.

Dasbach said that there has been little change in the difference between cash and accounts payable in the past week. He said that accounts payable currently exceed cash by about \$10,000.

Martin complimented Dasbach on the quality of the current fundraising letter.

Dasbach gave credit to Bill Winter for writing the letter.

Martin asked Dasbach if he perceives a problem with purchasing the certificate of deposit called for on May 31.

Dasbach said that he does not yet have a good feel for that. He said that he anticipates a significant number of responses arriving by the coming Tuesday which should provide much better information.

Item: Discussion of the Terms of LNC Participation in the FEC Lawsuit

Lark said that at the April 2001 LNC meeting, information was provided to attending LNC members by John Famularo regarding certain prior actions by former LP National Director Perry Willis. He said that he has commenced an inquiry in response to which Willis has acknowledged that he violated LNC policy while serving as National Director.

Dehn moved adoption of the following resolution:

In light of information recently made available concerning violation of LNC policy by Perry Willis and the concealment of information about this violation by others within organizations operated by Harry Browne and Perry Willis, the Executive Committee hereby

1) Recommends that no action be taken to involve the Libertarian Party in the lawsuit against the FEC proposed by Browne and Willis, or any other project proposed or managed by them, until all related questions have been considered by the full LNC.

2) Directs the national staff, until such time as the matter can be addressed by the full LNC, to not enter into any business relationships, including but not limited to rentals of the LP mailing list or advertising in LP News, with Browne or Willis or any entity of which either of them is an officer, director, or employee, without prior approval of the Executive Committee.

3) Expresses its appreciation to those individuals who have been willing to assist the LNC by bringing forward information about this matter and requests that anyone else who may have relevant information make it available to the LNC without delay.

Bisson seconded.

Dehn said that it is important -- given the amount of discussion taking place regarding this issue -- that the position of the Libertarian Party be made clear as soon as possible. He said that because the Executive Committee is expected to make a recommendation regarding the terms under which to proceed to participate in this lawsuit, it is important to make it clear that such participation will not go forward until the LNC has fully addressed these issues.

Dehn said that it is also important to make it clear that any other business dealings with these people should be postponed until this matter has been fully addressed by the LNC.

Dehn said that he believes it is important that other people be encouraged to provide whatever information they might have that bear on this matter.

Fylstra moved to strike the language stating: "and the concealment of information about this violation by others within organizations operated by Harry Browne and Perry Willis"

Givot seconded.

Fylstra said that there is no evidence to support this claim and that it appears to be a statement which finds guilt by association.

Dehn said that the reason he included that language in the resolution was to justify the rest of the resolution. He said that if the rest of the resolution is acceptable to the Committee absent that statement, then he would be willing to delete or modify it.

However, Dehn said that he believes that it is already clear that Jack Dean as well as Perry Willis concealed Willis' violation of LNC policy from the LNC.

Dehn said that notwithstanding an email from Harry Browne indicating that he would be making a statement about his involvement in this matter, Browne has yet to issue such a statement. He asked if any Executive Committee member had received any communication from Browne regarding this.

Each of the attending Executive Committee and LNC members said that they had not received such a message from Browne regarding this matter.

Dehn said that he had been given a copy of a message that Browne wrote to someone else which appears to contain a statement from Browne which acknowledges that he was aware of Willis' actions and agreed to them.

Dehn said that given the fact that Browne had indicated that he was about to make a public statement, it originally seemed that Browne deserved the courtesy of being allowed time to make such a statement rather than passing on a private message. He said he has since written twice to Browne urging him to make a public statement as he said he intended, but that Browne had not responded. He said that under these circumstances it seemed necessary to inform the Executive Committee of the contents of this message.

Givot said that -- with the permission of the original recipient of Browne's email -- he would attach a copy of Browne's email to the minutes of this meeting to document the information that the Executive Committee has been provided. (A copy is attached with the permission of the recipient.)

Fylstra withdrew his motion with the consent of Givot.

Lark noted that there could be other, though less likely, meanings to Browne's words.

Dehn agreed that was possible, but said that it was sufficiently likely that they meant what they appeared to mean to justify the precautions called for in the proposed resolution.

Martin suggested an amendment to add the word "possible" before "concealment" in the first paragraph.

Dehn and Bisson accepted the amendment as friendly.

Hall suggested adding the words "or affiliated with" after "operated by" in the first paragraph, to make it clear that concealment may have occurred by persons or organizations not directly operated by Harry Browne.

In response, Dehn proposed amending the first paragraph of the proposed resolution as follows:

In light of information recently made available concerning violation of LNC policy by Perry Willis and the possible concealment of information about this violation by other persons associated with the Harry Browne campaign, the Executive Committee hereby

Givot seconded.

Martin spoke in support of the amendment.

The amendment was adopted without objection.

Dasbach asked for clarification as to how adoption of this resolution would affect decisions he would be making in the coming months.

Dasbach asked, for example, whether adoption of the resolution would prohibit purchasing additional copies of Browne's book *Why Government Doesn't Work* from Liam Works, given that neither Browne nor Willis has a financial interest in the company.

Givot said that he believes that the resolution would direct staff to avoid any transaction which might give rise to the impression that the LP was doing business with Willis, Browne, or any organization they control.

Fylstra said that we should be doing the right thing, rather than play to a given group of people.

Givot said that, in his view, the right thing is doing no business with these people.

Fylstra asked Dehn for an explanation of the language "until all related questions have been considered by the full LNC."

Dehn said that the LNC will have to determine what questions need to be investigated and answered.

Dehn asked that the minutes clarify that there are other possible interpretations of the email which Browne had written.

Each member of the Executive Committee acknowledged this possibility and asked that the minutes reflect this possibility.

Dasbach asked that the minutes indicate that with the exception of accepting LP News ads from these people or purchasing Browne's book, that he had already implemented a policy of not engaging in any such business relationships (ex: renting the LP mailing list) without first getting Executive Committee approval.

Fylstra moved that the second paragraph be amended to read:

1) Recommends that no action be taken to involve the Libertarian Party in the lawsuit against the FEC proposed by Browne and Willis, or any other project proposed or managed by them, until all related questions have been answered to the satisfaction of the full LNC.

Dehn seconded.

The amendment was adopted without objection.

The resolution passed on a vote of 5 to 0. Lark abstained.

Givot said that he could no longer support LNC participation in the proposed FEC lawsuit if Willis has any involvement whatsoever with any organization which is a party to or otherwise involved in the lawsuit.

Martin said that he had voted in favor of the motion to participate in the lawsuit and that he is currently "uncomfortable with that vote."

Bisson said that he agrees with Givot and Martin but feels that no further action is required at the present time.

Dehn said that the LP currently has financial records from the 1996 Browne campaign. He said that those records already in the LP's possession should be examined to determine what can be learned from them about this matter. He suggested that the LP's internal auditor Bill Redpath review those records to (1) clarify the nature of any payments by the campaign to past or current LNC members or staff, and (2) identify payments which are not specifically well defined which might conceal other problems.

Dasbach said that Redpath was extremely busy with his campaign currently underway and would almost certainly not be available.

Fylstra asked what records from the 1996 Browne campaign are in the LP's possession. He asked whether the LP has a right to examine such records in its possession.

Hall asked who the Treasurer of the 1996 Browne campaign was. He said that the Treasurer has the obligation to maintain records for a certain period of time after the campaign, and that if it was unclear whether free access to the records had been turned over to the LNC, the permission of the Treasurer would normally be sought to make him comfortable in examining these items.

Dasbach said that Sharon Ayres was the Treasurer of the 1996 Browne campaign and that following the campaign the records were turned over to the LNC.

Crickenberger said that these records have been open to use by the LP for years and have been used by him for several years.

Dasbach said, if necessary, he can seek clarification as to any limitation on access to the records in the LP's possession. He said that these records were given to the Party to benefit future campaigns.

Hall said that these circumstances, obtaining the Treasurer's permission may not be necessary.

Givot asked that answers be sought to the following questions:

1. What payments were made by the Party to Jack Dean or any firm in which he was involved in 1995, 1996, and 1997? He asked for the dates, amounts, and stated purpose of each such payment.
2. What payments were made by Jack Dean or any firm in which he was involved to Willis during 1995, 1996, and 1997? He asked for the dates, amounts, and stated purpose of each such payment.
3. What payments were made by Jack Dean or any firm in which he was involved to any LP employee other than Willis during 1995, 1996, and 1997? He asked for the dates, amounts, and stated purpose of each such payment.

Givot said that he understands that the Party's own records could provide answers to the first question, and that the cooperation of Jack Dean would be required to answer the second and third questions.

Fylstra said that he was new to the LNC in 1998. He said that much of this is news to him. He said that he is concerned that it is our job to move the Party forward -- to make progress. He said that he is concerned that the Party is spending energy and time spinning its wheels investigating allegations about what has taken place in the past. He said that not much will get done if the Party does not focus more on moving forward.

Lark said that he appreciates Fylstra's concern. He said that the effort that goes into something like this seems as though it is not moving the party forward. He said that the loss of confidence on the part of some members because of suspicion on their part makes it incumbent upon the LNC to look into these matters and address them. He said that he believes that this needs to be done and that we need to proceed to do so.

Dasbach said that some of these questions can be answered with minimal expenditure of resources, such as a listing of payments by the Party to Jack Dean or his company during a certain time frame. He said that other questions require more effort and greater skills to properly investigate.

Givot suggested that someone who has not been on the LNC or LP staff during this time frame be asked to review all of these records and report findings to the LNC.

Dasbach recommended former LNC Chair David Walter, former LNC Chair Mary Gingell, and former LNC Secretary Dean Ahmad as appropriate persons to approach about doing this work.

Givot suggested that Gingell's relationship with Dehn might raise concerns among some about her independence in doing this work.

Kaneshiki suggested that John Famularo be asked whether he has additional information relating to this matter.

Givot said that the resolution just passed does so implicitly.

Lark said that he plans to contact Famularo and seek such information.

Dehn said that all of the questions that will arise cannot be listed now, but it is important to get the process started.

Bisson moved that the Executive Committee direct the Chair to seek a suitable person to review the Browne 1996 campaign records already in the Party's possession.

Martin seconded.

Fylstra said that he objects to the motion because it consumes time and resources on a matter which will not move the Party forward.

The motion passed by a vote of 4 to 0. Fylstra and Lark abstained.

Givot suggested that the Chair contact all LNC members asking them what questions they would like answered regarding this matter so that there would be the greatest possible opportunity to seek answers prior to the August 2001 LNC meeting.

Item: Allowing Membership Recruitment Projects to be Funded by Affiliate Parties

Dehn proposed that the Party should allow affiliate parties to fund the costs of membership prospecting mailings with the affiliate party keeping the returns and taking the risk of any loss or gain on the mailing.

Dehn said that this raises a policy question because under current policy and the UMP program, the first \$25 per member coming in would have to be paid to the national party under the UMP program.

Dehn said that what he is proposing would enable affiliate parties to fully fund such mailings, taking all downside risk, and benefitting from all upside gains. He said that under his proposal, the national party would send these new people LP News for 1 year and would send the affiliate \$1 per month for 12 months -- just as though the national party had sent the prospecting mailing.

Givot asked Dasbach for his recommendation.

Dasbach said that he is concerned with establishing a broad policy which could be misunderstood. He gave examples of different sorts of proposals which might give rise to concern.

Givot said that he would be most comfortable with announcing this to all affiliates and with giving the National Director discretion to review and approve such proposals from affiliates as they are presented.

Fylstra spoke in support of having the National Director handle such requests on an individual basis.

Dehn said that although he was asking for this so that LPCA would be able to fund such a mailing, he did not want to ask specifically for approval of just that one project because it was not his intent that it be limited to CA.

Bisson said that it seems to him that there is consensus that the Executive Committee is supportive of such initiatives by affiliates subject to the review and approval of the National Director.

Lark determined that there was no objection to the National Director proceeding as outlined in the discussion.

Item: Remarks for the Good of the Party

Lark reported on his recent visits to KY, NE, CO, KS, and MO. He said that he was impressed by the degree of enthusiasm he found during his travels. He said that these people were keen on what is going on at the national level, including the current strategic planning effort.

Lark said that LPCO raised enough money at its convention to hire someone to work for LPCO, although he is unsure whether this would be on a full- or part-time basis.

The meeting was adjourned at 10:33 PM EDT.

ATTACHMENT

From: "Harry Browne" <HarryBrowne@AmericanLibertyFoundation.org>
To: "Mary Gingell" <mtg@dehnbase.org>
Subject: Re: Perry's memo
Date: Tue, 15 May 2001 00:29:47 -0500

Dear Mary:

Sorry for the delay in getting back to you.

I'll be issuing a statement in the next couple of days. I imagine it will find it's way to you.

In the meantime, you should know that I was aware of Perry's actions and agreed to them.

Please give my best to Joe.

With best wishes,

Harry

----- Original Message -----

From: "Mary Gingell" <mtg@dehnbase.org>
To: <harrybrowne@harrybrowne.org>
Sent: Saturday, May 12, 2001 1:25 AM
Subject: Perry's memo

Hi, Harry.

It occurs to me that now that Perry's memo is being broadcast around the country, the following question is sure to come up - is the fact that this memo can be found on the harrybrowne.org website an indication that you concur with Perry's opinion that violating the LPC conflict of interest rules in 1996 in order to help the Browne for President campaign is justifiable? And even if you don't believe that allowing him to post this memo on your website is an implicit endorsement of it, what, in fact, is your position on the issue?

So I guess I am asking it . . . as someone who defended him, and Winter, and Sharon, and you during that time and assured people that they were not, in fact, in violation of the policy. I would appreciate knowing how you felt about it then, and how you feel about it now.

Mary