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Greetings from Massachusetts!

I'm George Phillies, a fellow delegate to our Libertarian National Convention. This May, we're going to nominate someone to run for President. **I want us do better this time than we have done before.**

We need a successful Libertarian Presidential campaign. We need a good Presidential candidate. That's a Libertarian who reaches out to Americans who hear "Trump or Clinton?" and answer "No Way!". **That's a candidate who focuses his resources on outreach, not on paying his campaign advisors.**

One of our current candidates has a record on campaign spending. **Please consider the record before you vote in Orlando.** You don't have to take my word for it. You can go to FEC.gov/finance/disclosure/candemte_info.shtml. Look it up for yourself. (And if you want more details than I offer here, download my **free** ebook *Surely We Can Do Better?* at SmashWords.com/books/view/629941)

Just before the 2012 National Convention, Gary Johnson's campaign reported they were \$152,000 in debt. That's already a lot. From the convention to election day, a Libertarian Presidential campaign might raise 1.5 million dollars. Alas, "\$152,000 in debt" wasn't true. **In 2013, Johnson 2012 finally admitted to the FEC that their debt, just before our National Convention, had actually been over a million dollars.**

That's a big difference. **Who would have voted for a Presidential candidate who had already spent, to get the nomination, most of the money he would raise afterwards to wage the campaign?** (We'll get to the win bonus later.)

At our Florida Presidential debate, Darryl Perry challenged Johnson's 2012 campaign management. The conversation went:

Perry: If my campaign raised between 1 to 1.5 million dollars, I would be doing a lot better than at least one of the candidates on this stage, who still owes about 1.4 million dollars [unintelligible because Johnson interjects]

Johnson: That's untrue. That is untrue.

Perry was telling the truth. Johnson was not. As I type, Johnson 2012 is still 1.4+ mil-

lion dollars in debt. You can check this on the FEC web pages.

Johnson also talks about what a successful campaign can mean. You may have heard a claim that if we get 5% of the vote, we get ballot access everywhere. **That's nonsense.** Presidential vote totals only matter in a few states. (And my best to Libertarians in those states.)

So how did Johnson run his 2012 campaign?

- By the time of the 2012 National Convention, Johnson 2012 was already over a million in debt, a **fact hidden from convention delegates.**
- **Johnson spent most of his campaign donations on paying his staff.**
- Before the nomination, **Johnson paid his Senior Political Advisor \$325.00 an hour.**
- When Johnson won, **his campaign management firm was immediately owed a \$300,000 “win bonus”**, on top of the million dollars that the campaign already owed.
- Johnson couldn't balance spending and donations. **At the end, Johnson 2012 was more than \$1.5 million in debt.**
- Johnson 2012 is trying to walk away from most of its debtors. (Think corporate bankruptcy, but governed by Federal Election Law.)
- **Johnson's 2011 nominating campaign spent six dollars out of seven on staff and one dollar out of seven on outreach.**
- Johnson's entire **2012 campaign spent**, cash and unpaid bills, **70-80% of money raised on staff and 20-30% on outreach.**

And what did we get as a result? Our Libertarian Party left 2012 no stronger than when it started. That's the price we paid for the candidate who ran his campaign as described above.

If we keep doing the same things, we should not be surprised when we get the same result.

Let's take these points in order:

Debt at Convention Time

A Libertarian Presidential campaign will raise 1 or 1.5 million dollars from the National Convention to Election Day. **If you are the candidate, and you start the campaign a million dollars in debt, what's left for campaigning?**

If you were a delegate in 2012, and you knew that a candidate's campaign was a million dollars in the hole, before the campaign started, would you have voted for that candidate?

Johnson 2012 hid its campaign debt from the 2012 National Convention. That was critical to getting Johnson the nomination. Some people will say this was just clever politics. They'll claim it was technically not illegal.

We have a platform “We believe ... that force and fraud must be banished from human relationships.” Is hiding debt any way for a Libertarian to act?

How Did Johnson Spend His Money?

My book *Surely We Can Do Better?*, now available for [free at Smashwords.com](http://Smashwords.com), generates totals.

Johnson's campaign raised \$2,250,000 in private donations and \$630,000 in Federal campaign matching funds, \$2,900,000 in total. The campaign still owes \$1,540,000 dollars to nine vendors and more than \$330,000 to the United States, **a grand total of \$4,700,000 raised or still owed.**

For Johnson's general election campaign, media, travel, email ads, web ads, and printing, shipping, and mailing came to \$630,000. For his nominating campaigns, outreach cost under \$300,000. **The grand total for outreach was about \$900,000. That's \$900,000 out of \$4,700,000, less than 20%, on outreach.**

Johnson Paid His Staff Lavishly

Here are February 2012 salaries taken from Federal Election Commission financial disclosures:

Senior political officer, 50 hours at \$325.00 per hour totaling \$16,250
Mid-level management 600.7 hours at \$125.00 per hour totaling \$75,087
More mid-level management 88.27 hours at \$95.00 per hour totaling \$8385
General clerical hours 65.83 hours at \$28.00 per hour totaling \$1876
10 hours of creative advertising at \$225.00 per hour for a total of \$2250.

Similar salaries were paid through the entire campaign.

Now, I have also run for our Presidential nomination, and there were people I paid. My accountant. A petitioner. But not like this. These wage scales are absurd.

\$300,000 Win Bonus

The bonus was first mentioned in the FEC Audit of Johnson 2012. **The political advisory firm was promised \$300,000, to be paid when Johnson got the nomination.** That's 20-30% of anticipated general election campaign income going to the advisor's company, before the campaign starts. The \$300,000 became new debt, on top of the \$1,000,000+ owed before the Convention started.

\$1.5 million in debt

Yes, by the end the campaign had racked up a million and a half in debt. It had promised to pay much more money to people than it had money to pay them. You can see the March 2016 debt here <http://docquery.fec.gov/cgi-bin/forms/C00495622/1063739/> as line 12.

Walk Away from Debt

Now the Johnson 2012 campaign is trying to convince the FEC that it should be allowed to walk away from many of its debtors and not pay them anything. In years gone by, campaigns have instead tried to pay off their debts. Read the Johnson 2012 Committee's filing at docquery.fec.gov/pdf/312/201603240300057312/201603240300057312.pdf

Six Dollars in Seven on Staff and Back Office

Johnson in 2011 spent six dollars in seven on staff, fundraisers, and back office and one dollar in seven on outreach: For 2011, the Johnson campaign raised \$578,124. At year's end, it had \$18,012 cash on hand. It had also piled up \$858,458 in unpaid bills, a total of nearly \$1,400,000.

Where did the money go? Staff salaries were nearly \$800,000. Fundraising was almost \$200,000, not counting another \$28,000 only revealed in 2015. Back office and bank charges were over \$113,000. Almost \$80,000 went to outside subcontracts. After some back office expenses, that's more than \$1,200,000.

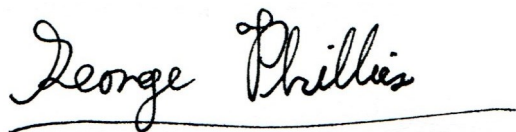
What about outreach? Candidate travel was more than \$90,000. Mailing, shipping, web ads, etc. were over \$50,000. The web site cost nearly \$30,000. Total? Under \$200,000. Less than one dollar in seven went for direct campaigning.

That's how Johnson ran his 2012 campaign. Can you really expect 2016 to be any better?

As the brokerage house says, 'past performance is no promise of future performance'. But it's a good indicator of human behavior.

2012 was an election cycle wasted. We should not repeat 2012 in the hope that matters will improve. There are other candidates. Please consider all our candidates carefully. As my book title says, *Surely We Can Do Better*.

Yours for Liberty!

A handwritten signature in cursive script that reads "George Phillies". The signature is written in black ink and is underlined with a single horizontal line.

George Phillies

This mailing was paid for by George Phillies in an effort to inform his fellow delegates about the challenges before them.

All supporting information is presented in my book *Surely We Can Do Better?* available for free at Smashwords.com/books/view/629941. It's Free!