

Liberty for America

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Johnson Systematically, Massively Underreported Campaign Debts

Editorial Out with the Crackpots!

Most Libertarians have natural hesitations about trusting government operations. Mind you, I am surprised if my mail does not show up or if the water system fails (catastrophic mains failure), but Libertarians have reasonable skepticism.

Alas, this skepticism means that we attract people who are congenitally unable to believe anything, at a level that exceeds all reason. These people are a detriment to our party, and should be deported to the Republican Party, where they will fit right in. Let me take a few examples:

#1. There is no more scientific debate about the reality of anthropogenic global warming, no matter how many far right Republican billionaires endanger our country's future by funding global warming deniers. The people holding contrary views are simply denying reality. Ditto for the evolution deniers, like the morons who ran for the Republican Presidential nomination. And when someone says 'evolution doesn't matter', the answer is, "Yes, it does matter that your candidate is crazy".

#2 Then there are the people who think that the United Nations is threatens American liberties. Your editor is old enough to remember far right Republicans ranting, 50 years ago. They have not become more believable in the intervening half-century. Indeed, since the State Department nonsense about never vetoing Security Council resolutions was tossed over the side, the claims have become even less believable, assuming this is possible. I am reminded of the Republican Congressional Candidate who appeared at a Pioneer Valley Libertarian meeting some years ago. He was a nice guy, well-spoken. Then he remarked that he had gone to Amherst to collect nominating signatures, put up his "US Out of the UN" signs, and suddenly people stopped being interested. He could not understand why. He was in the right Party.

#3 Vaccination deniers at least had the excuse that there was one scientific paper that claimed a link between vaccinations and autism. That paper has been retracted by its authors, who explained out why they were totally wrong. Remember: A non-vaccinated child endangers your vaccinated children, because vaccination not perfectly reliable.

As we reported in previous issues of this newspaper, Gary Johnson's campaign debts are in fact more than \$1.1 million. What we did not know until very recently is that his FEC filings had systematically not reported most of his campaign debt. Recent amendments to his FEC filings reveal a very different truth. Johnson's campaign debts were far more enormous than we had believed. For example, the debt on April 30, 2012, just before our convention, was not the \$150,181 he revealed at the time. The debt was in fact \$1,209,758, almost ten times as much.

Johnson has now submitted "Amended" filings correcting some deficiencies in his past reports. Much of the debt matches the enormous salaries that Johnson paid his campaign staff.

Over the next months, we will be assembling a full and complete report on Johnson's campaign filings. In our opinion, Johnson's amended filings to date do not appear to be a complete response to the FEC requests for further information, so perhaps more new information is yet to appear. Your editor previously wrote a book "Funding Liberty" about our 1996 and 2000 Presidential Campaigns. Another book may soon be in preparation.

Return to the beginning, when Johnson began his campaign. According to his original FEC report, for April-June 2011 Johnson 2012 had receipts of \$180,236, disbursements of \$174,230, and accumulated debts and obligations of \$227,360. The original filing acknowledged debts of \$43,166 to Jonathan Bydlak for fundraising and consulting services (Bydlak later sued and was finally paid), \$403 to Daines Goodwin PC for accounting, \$101,666 to EH2 for fundraising and consulting, \$8666 to the Hackstaff Law group, and \$73,458 to NSON.

In February 2013, the Johnson Campaign filed an Amended report for April-June 2011. The new filing showed not \$227,360 of debt but nearly twice as much, \$403,644. Furthermore, the new filing went into considerably more detail. Our attention was drawn to the Senior Campaign Advisor, \$16,250 for 50 hours. That's \$325 an hour. For those of us used to hourly rates that have decimal points, that's \$650,000/year, annualized, not counting overtime. For what, then, did Johnson actually owe?

Each reported debt has a line number, e.g. SD12.46657, with SD12 being a category and 46657 being the actual line. We'll

go through these in order and see what bills Johnson ran up, and how he was promising his money.

#4173 \$115,197, all still owed. Out of order in the filing.

#46656, owed to "Political Advisors"

Staff and candidate travel \$12,384
Email marketing costs \$1250
Shipping \$424.84
Ad Placement, web \$75
Miscellaneous office supplies \$24

#46657 is a debt to "Political Advisors" for \$46,551. It was paid off during the period.

Senior Political Advisor 50 hours at \$16,250 (\$325.00/hour)
Creative Advertising \$2700 for 12 hours (\$225.00/hour)
Press relations \$6225 for 41.5 hours (\$150.00/hour)
Press relations \$6416.30 for 58.33 hours (\$110.00/hour)
Mid-level Management \$9500 for 76 hours (\$125.00/hour)
Mid-Level Management \$1045 for 11 hours (\$95/hour)
"Outside subcontracts per agreement" \$3,000.

Those amounts were **Actually Paid**. We have absolutely no idea what was in the "outside subcontracts".

Now we reach line #46658. This was originally \$133,144, of which \$80,580 was paid in this period. The debts were:

Senior Political Advisor 50 hours at \$16,250 (\$325.00/hour)
Creative Advertising \$13,500 for 60 hours (\$225.00/hour)
Press relations \$14,325 for 95.5 hours (\$150.00/hour)
Press relations \$14,630 for 133 hours (\$110.00/hour)
Mid-level Management 18,886 for 199 hours (\$95.00/hour)
Mid-level Management 14,630 for 357 hours (\$41.00/hour)
"Outside subcontracts per agreement" \$9427.50

These figures total to \$101,648, which is neither the original amount, nor the amount paid this period, nor the amount still due. However, simple arithmetic shows that close to half of the above must actually have been paid.

Line #46660 Doing politics. All owed:

Mail Marketing \$851
Ad Placement Web \$990
Travel—Staff and Candidate \$6013
Miscellaneous/supplies/office \$29,578

Line #4173, these amounts all being owed:

Senior Political Advisor 50 hours at \$16,250 (\$325.00/hour)
Creative Advertising \$10,800 for 48 hours (\$225.00/hour)
Press relations \$14325 for 95.5 hours (\$150.00/hour)
Press relations \$20,937 for 190.3 hours (\$110.00/hour)
Mid-level Management \$32,250 for 258 hours (\$125.00/hour)
Mid-level Management \$24,032 for 252.97 hours (\$95.00/hour)
"Outside subcontracts per agreement" \$10,927.50

and finally line #46662.

Travel, staff and candidate \$20,405
Ad Placement, web \$4304
EMail Marketing Costs \$1812
Printing \$1453
Miscellaneous/supplies/office \$329

Tom Stevens Resigns as LP-Pennsylvania Chair

Following a considerable debate over whether or not the scheduled April LP-Pennsylvania State Convention had been properly called, and a variety of other issues all covered on Independent-PoliticalReport.com, Pennsylvania State Chair Tom Stevens has resigned. His successor is James Fryman. The LPPA will have a state convention in a few months, and apparently a state committee meeting a bit sooner, so Fryman will at some point likely be replaced with a new state chair.

LNC Elects Salvette As Credentials Chair

At its most recent meeting, the LNC elected the Credentials Committee, and elected Emily Salvette as chair of the Credentials Committee. Readers may recall that in 2012 Salvette was also chair of the Credentials Committee. This was the Committee that sent passwords to an electronic filing scheme to chairs of 49 states, and something entirely different to the chair of our Oregon Affiliate. Indeed, the Credentials Committee appears to have created the situation in which the LNC's Oregon affiliate and the Oregon insurgent group were both able to file lists of delegates, leading to our Oregon affiliate not being seated at the 2012 National Convention. By re-electing Salvette, the LNC appears to be inviting a repeat of the 2012 outcome.

Competing Slates For LP-Nevada StateComm

We see multiple reports that the group running against the current LP-Nevada Chair and friends is Brett Pojunis – Chair, Jason Smith – Vice Chair, Lou Pombo – Secretary, Tim Hagan – Treasurer, and David Colborne – At Large. Disputes inside Nevada go back at least to May 2011, when the LP-Nevada State Committee disaffiliated all of its county committees. Readers may recall that there has also been a recent dispute between Pojunis and the current LP-Nevada State Chair.

and now, our most popular column...

Where Your Money Went Libertarian National Committee

For the month of February, as seen in their March 2013 FEC filing, the LNC brought in \$78,713 and spent \$75,356, leaving them with \$244,052 cash on hand. The cash on hand figure includes around \$116,000 in reserve for the building fund. The low income was reported at the March LNC meeting; Executive Director Carla Howell offered a series of explanations.

Of the amount spent, 1/3 went to salaries, consulting fees, and legal fees. \$24,128 went to Eric Dixon, Dominick Dunbar, Paula Edwards (\$1500 for FEC Filing), Christopher Goins, Casey Hansen, Carla Howell, Robert Johnston (\$2088 for tele-

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fundraising consulting), Robert Kraus, Molly Schwoppe, and Gary Sinawski (\$3000 for legal expenses). Another \$9276 went to expenses associated with having employees, including 401K payments, Social Security, Medicare, Federal and DC Withholding and unemployment taxes, and other miscellaneous charges. \$567 went to staff travel by air.

Employees need an office. Rent, tax, maintenance, and utilities came to \$11,472. Office supplies were \$231. A copier lease was \$395; copier maintenance came to an additional \$640. A postage meter lease cost \$161. \$2005 was spent for postage.

Money was spent on information technology. The LNC paid \$574 to Softlayer for email hosting, \$2802 for website migration and moving, and \$1376 to Rackspace for website hosting. Readers of past issues will recall the issue that prior web maintenance contracts apparently did not include doing upgrades as the underlying software went through new releases, so the LNC had to pay for major upgrades in several steps.

Raising money costs money. \$2832 went to merchant fees and bank charges to PayPal, PNC Bank, and Ticketmaster. \$13,814 went to non-candidate printing and mailing, including membership cards, supplies, and a non-candidate ad for \$2425 via Bid4Spots. Printing and mailing was covered for Bigeye Direct, ID Superstore, Southwest Publishing and Mailing, B & B Duplicators, MacBain Printing, and Capitol Promotions.

\$298 went to Congressional District match services. \$1924 went to general liability insurance. There were a few other very modest expenses.

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Liberty for America will be performing political acts, and other activities that the Federal government calls "Federal Election Activity" and hence FEC-reportable. We must therefore funnel dues to our PAC, "Liberty for America". Dues will not be used to support candidates.

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Lest We Forget

Novel albeit legal uses of political funds are a long-standing political issue. We repeat from the January 2005 issue of Let Freedom Ring! Speaking of Massachusetts, they wrote:

“In 2003, the Committee for Small Government of Carla Howell and Michael Cloud raised \$48,820. During 2004 it raised \$13,882. (Source: http://www.mass.gov/ocpf/homepage_data.htm and through dynamic links to the Committee for Small Government OCPF Filings.) OCPF filings show that almost all that money went as consulting fees, to Howell and Cloud.

In 2003 the committee gave \$17,950 to Cloud for consulting fees and \$25,000 to Howell for consulting fees. In 2004, the Committee gave \$4000 to Howell for consulting, and \$8500 to Cloud for consulting. That’s over \$55,000 to the principals for consulting, out of less than \$63,000 raised. In 2004, the Libertarian Party of Massachusetts has had major expenses. It published its newsletter. It ran its state convention. And it gave the bulk of its Treasury, \$4750, to the 2002 Senate Campaign, now long since ended, of Michael Cloud.

At the State Committee Meeting (most recent before January 2005), Michael Cloud was elected State Party Vice Chair.

In Spring 2004 control of the LPMA State Committee ended in the hands of Howell, Cloud, and a slate of 13 State Committee members. Since then, the State Committee has been a model of inactivity. State Committee support for our Presidential candidate was nonexistent. When the Badnarik State Coordinator, Richard Watras, asked for contact information on Massachusetts Libertarians, he was eventually told that he could do a blind mailing through a bonded mailing house. The State Chair refused to allow him to have actual names and addresses of members, so they could be phoned to see if they would like a lawn sign. At this point, Watras submitted his final report.”

On a slightly different topic, doing back some years the LNC raised dues to \$50, and then lowered them again. Here is coverage of that event, also from Let Freedom Ring! The LFR headline was “Dues Raised in Secret Ballot Vote; Money will Pay for New Washington, DC Office Location; Membership May Fall “

Meeting in Portland at the end of February (now some years ago), the Libertarian National Committee voted to raise LPUS dues to \$50. The vote was by secret ballot. Libertarians around the country were swift to condemn the manner by which the vote was taken as contrary to our party’s principles.

And here are the people who voted to make the decision by secret ballot:

Dena Breudigam
M Carling
Michael Colley
Ed Hoch
Dan Karlan
Bill Redpath
BetteRose Ryan
George Squyres

Aaron Starr
Bob Sullentrup.

[Ed: Readers may wish to note that while many of these people are gone, a few of the people who voted to vote by secret ballot to raise dues either are still on the LNC, or are lurking on the fringes:]

In a widely-circulated letter, National Treasure Mark Nelson wrote: "I voted no on both the dues increase and the UMP increase. My reasoning for my votes follows. As detailed below, without consideration for the political implications, increasing dues is a fiscally irresponsible decision. Increasing UMP payments would seriously compound this irresponsibility.

I encourage the other LNC members to publicly declare their votes and their reasons. Voting on an issue such as this in a secret ballot is deplorable behavior for a decision that directly affects our state parties.

It should be noted that the LNC ignored my repeated requests to direct staff to update the following data prior to making this decision, or to delay the decision until the data was updated. The National Chair has asked that I do so prior to the next meeting, which, unless directed otherwise by the LNC, I will make available on this list.

First, there is no structural need for a dues increase. As part of the 2005 Budget, the cost of members was estimated using the direct membership expenses (only UMP and renewal, the LP News breaks even) and a percentage of all common costs estimated based upon the percentage of dues relative to total revenue (32.26%). This formula estimated the "loss" on membership was \$4.03/member, at the projected membership level of 24,000. It was noted that this "loss" disappears somewhere just over 30,000 members, when our common costs are spread over a larger membership base.

I believe this methodology overstates the common expenses of membership. There is no way our executive director, or most of our employees, spend 32% of their time on basis membership. Most of their time is focused on larger donors, fund raising or outreach. A membership operation could be run out of a basement in Boise, not a DC office. We are in DC for other non membership related reasons. A modest lowering of the common expense allocation to 20% of the common expenses would eliminate the net loss on membership.

The only argument with this analysis I heard was that prospecting or recruitment expenses are not included. This is unrealistic. No repeated use product or service includes the total expense of capturing a new customer in the first purchase. It is recaptured over the life of a customer, which in our case is over 7 years.

I believe it is a reasonable marketing strategy to have a modest loss leader as an inducement to "qualify" members for increased donations. That is how membership works in the LP's model.

My final comment on whether the dues cover the associated expenses: The R's and D's National Committee both use a \$25

Welcome to Liberty for America!

A magazine. A web site. An organization. **Liberty for America** has had several inquiries on launching **Liberty for America** Chapters across America. A draft set of state/regional By-Laws appears on the **LibertyforAmerica.Com** web site.

or lower sustaining membership amount. It is compelling that they see \$25 as the level needed to attract donors (while trying and bump them up) and retain member loyalty.

Beyond the lack of need for a dues increase, based on the best information available (a 2002 extract of donations showing how many members gave \$25, \$25 to \$50, and over \$50, and a survey of the \$25 only members), increasing dues results in a net reduction in revenue. Based on the data, the loss was estimated at \$14,130. Using the margin of error in the survey, the range of projections was +\$28,440 increase in revenue, to a -\$56,700 revenue loss. Using the motions that were passed in Portland, UMP payments would be reduced significantly. This would result in the LNC experiencing an \$86,940 increase in net income (the range of projections is \$56,502 to \$117,377). This does not account for increased renewal costs, which would reduce the increase, quite possibly substantially. Still, it is notable that all of the increased income (revenue - expenses) to national is at the expense of UMP states.

With Aaron's proposed "fair" increase of UMP II payments to \$30 per member, the LNC would experience a significant net loss, projected at \$89,352 (the range of projected losses is \$72,324 to \$106,308). I don't see how taking \$100,000 from National and simply transferring it to the states is "fair."

The only arguments against the above analysis were against the survey methodology, stating that pricing survey's result in biased answers. The survey firm (a highly qualified firm ran by a small I, that does work for the Heartland Institute), disputes there are any problems with the survey methodology. Instead, they state that the methodology was specifically designed to overcome any bias. To my knowledge, customer surveys are a routine part of pricing decisions. No one credibly provided information suggesting otherwise. For the modest cost associated with the survey (roughly \$3,000), I believe it should be part of our decision process. If anyone wants them, I can provide the spreadsheets showing the above analysis.

Mark Nelson LNC Treasurer

Kansas on Dues Increase: In a February 2005 letter to LP State Chairs, dated as word was just getting out about the event, the LP State Chair of Kansas is reported to have written:

Hello All,

I have seen a report on an LNC meeting purportedly held Monday evening, February 28, 2005. The report states that dues were increased on renewing members from \$25.00 to a \$50.00 minimum. It also states that the vote on this was made in secret.

Is this report substantially true?

If so this will have serious repercussions if not rescinded immediately.

My State, Kansas, will likely pull out of UMP altogether and handle our own membership and dues.

This subject was not mentioned at the recent LSLA Conference in St. Louis. It should have been as it has been discussed at past LSLA meetings. Will someone please confirm and explain this action.

For Liberty,

Steven A. Rosile

The LNC then turned around and went to zero dues:

LNC Meeting August 6-7, 2005, Kansas City MO

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 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, Sutherland, Starr and Wrights. Not Voting: Dixon. Not Present: Karlan, Gilson

And that's how in 2005 we went from \$25 a year to \$50 a year to \$0 a year.

LNC March Meeting Transcript

Krzysztof Lesiak attended the last LNC meeting, held in Chicago in March, and videotaped about six hours of the meeting. You can see the videos at: independentpoliticalreport.com/2013/03/video-coverage-from-lnc-spring-meeting-in-chicago-now-up-on-youtube/#comment-818697

I have done partial transcripts, which follow, enough to give an idea about whether you might want to attend an LNC meeting.

Video Part 1:

Hinkle reports on telephone calling to raise money for the building. He says we just need to raise some more money. Blau asks about emails for raising money for the building. Emails have gone out to various sorts of people who previously gave money for the building. Several emails to the entire general email list raising money for the building will go out in the next few weeks. Cloud offers \$5000 as matching funds for completely new donations, but only if someone else puts up another \$5000. Blau says that he will match Cloud's \$5000. Starchild asks if we have looked at any real properties yet. The most recent possibility cost more than \$2 million. Blau: we are keeping tabs on the market, so that when we get to enough money we know what is available. Lark raises the Alexandria versus Arlington question. Hinkle: there are more available properties in Alexandria. Neale notes that if we buy a building in DC it may take us months to get permission to occupy it. We have \$116,000 in the bank and 25,000 in pledges.

Neale: the Watergate lease expires at the end of April. The renewal at the Watergate is for three years with six months notice if we are leaving early. There would be one to two months overlap between the lease and the purchase. Neale opines that 2 months is minimal for a real move. Termination requires that we have actually purchased a building. The lease is now \$11,500 per month. Lieberman asks how long it may take to raise enough money. The motion says we need to raise 20% as the down payment; this is \$200,000. The earliest we can move, given the new lease, is 7 1/2 months. Blau and Neale opine that we will probably be moved into a new building by the end of 2013. Starchild asks about time required for improvements on the new building and the alternative of moving into a cheaper unit in the meantime. Neale proposes that the current plan is

better than these alternatives.

The vote to approve renewing the lease. The vote is 16 to 1 with one abstention. Neale turns the gavel over to Wrights. Howell then reports. She claims membership is now above 15,000. She claims that she is not counting nonmember donors, and is corrected by Kraus. Renewal rates are fairly constant over the last year. Question: utility of social media? Howell: there was a bump after Arvin Vohra redid the Facebook page. There was a bump after Rand Paul's debate. Two fundraising letters since the last LNC meeting did not do well. Prepping the building fundraising letters is complicated. Howell says fundraising letters are late because other issues intervened. The monthly donations are way down because two donors giving \$60,000 a year stopped giving. Our Newtown shooting press release got a lot of coverage. We also did radio ads. There was a petition with over 10,000 signers. The ad was successful because it called for gun law repeal, not just rejecting new laws.

There are claims that the Jeb Bush campaign staff has noticed what we are doing. Allegedly they are taking counter actions. Howell thanks people on the LNC who encouraged her to focus on the radio ads. Our videographer was laid off in the end of last year. She claims that our bold messages are successful. We had a booth at the ISIL conference. Lark thanks people for helping him. He says students are not interested in partisan political activities. He believes this is changing for the better. Vohra: student activist leaders self identify as anarchocapitalist. Proposal: letter of thanks to Karl Rove for his plot to knock Ron Paul people out of Republican primaries. Students are so busy with events they don't have time to do a lot of things. Question about recruiting major donors early this year.

Neale urges we pick up the pace of the meeting. Howell: The inquiry rate has doubled relative to four years ago. LNC is trying to set up archive of candidate materials from years past and years present to be an archive for the future. Archive will let us honor past candidates. Starchild notes that LP news is supposed to cover issues and tactics as well as candidates, according to the bylaws. Starchild: we are too focused on candidates and not enough on ideas. Neale complains that Starchild ideas are single person ideas and a board policy is needed. Starchild was quoting the bylaws. Howell: we want to advocate candidates and ideas at the same time. Howell has a computer game: the message is take a discussion and put libertarianism in the drivers seat. Neale lasts when the LNC can see this computer game. The possibility of displaying the game at Freedom Fest exists.

Howell: The webpage has been subject to multiple DDOS attacks. We had to migrate from Drupal 5.something to Drupal 7.something. Staff has challenge bringing out LP news and keeping the blogs updated. This is a time issue. Howell: LP news comes out quarterly. We need another full-time staff member to bring it out more often. Howell is the editor; there is an assistant editor. Discussion of webpage: the call for nominations to the Convention Committees was never on the webpages. Neale agrees that standard procedures should exist to cover this. Howell: we will be supporting candidates in Virginia and New Jersey, because these places have statewide partisan elections this year.

Ballots for Convention Committees are distributed. Chair explains to Hinkle one more time that the ballots are already colated; Hinkle should take three off the top, as has been said three or four times already. Chair ensures that all ballots are signed. Neale proposes to postpone the new membership levels to make it concurrent with occupation of the new building. This is another postponement. Visek speaks in opposition. Neale says the reprint cost for the literature is \$800 not the \$20,000 quotes at an earlier date Lieberman argues that the message being sent is that LNC decisions will not be implemented if some people don't want them implemented. Lieberman quotes letter from Andy Wolf. Wrights speaks against kicking the can down the road not even to a definite date. We should either toss this out or implement it. Blau: I have been concerned with the cost of the change. I support the motion. Hinkle claims that the changes will cost us income. He assumes that because few people pay \$2500 now people will not pay \$2500 when it is called "life membership". Neale claims that postponing will save money. He implicitly assumes that the change will not bring in more money. Approximately speaking, the incremental value of the first life membership that comes in at the new rate will pay for the cost of reprinting literature with new dues levels.

A two-thirds vote is required. There is a rollcall vote. I could not tell what the outcome was. Neale complains about Manichaeon arguments – this is good, that is bad. At this point they are doing a battery change on the camera. Neale argues that the sustaining dues are too low. Neale talking at great length. We are at the one hour 22 minute point. Lark explains why lots of levels were put in. There is some analogy with sports organizations which have lots of perks to distribute. Neale goes on at great length about not liking how many membership levels there are. Neale wants to create a committee to re-examine dues levels. The proposed members are Lark, Hinkle, Cloud, and Tomasso. Neale says he will not put Starchild on the committee because Starchild will not compromise. This will be the Membership Reflux Committee. The committee is to propose a new set of membership levels that a majority of the LNC can support. Lieberman and Johnson appear to have declined to join.

APRC report (Wrights): APRC is not being given enough time to review material. In one case it was given 20 minutes. Howell does not have a solution. She tries to give more notice on controversial material. Visek: must balance better timeliness and appropriateness. Wrights: the APRC has a charge in the policy manual. Operation of releases has made it impossible for the APRC to do its job.

Affiliate support (Wrights): We were hoping to have an affiliate support agreement. We are not yet there. The LSLA Executive Board does not have authority to negotiate with us. We are trying to put in writing what services and support we provide the affiliates. Neale notes that this is basically an order from him to staff as to what the staff shall do. Pat Dixon, Cisse Spraggins, and Jim Fulmer are the LSLA representatives on the committee. Wrights: we need a document that state chairs will sign and support. Tomasso: state chairs were concerned that this agreement will bind them in an unreasonable manner. They have been calmed down. Meeting adjourned until 9 AM the next day. The vote was 10-5.

The next day video: We come in in the middle of something or other. Mr. Vohra says that he views whatever it was as a fairly simple question that could be given a yes or no answer. Neale says he cannot compel Mr. Starr to answer a question, whatever it was, if Starr does not wish to answer it. There is a sentence from someone that they were not asking about Mr. Wagner, but about whether Mr. Reeves is on the list, and apparently the answer is that Reeves is on the list. I infer that it is the so-called state chair list that is under discussion. Hinkle asks why the membership of the state chairs list is any business of the LNC. Neal says that we were receiving a report from the LSLA, and therefore there is some latitude in asking questions.

Motion from Mr. Tomasso on filling vacancies on the LNC. The first round of ballot is an approval ballot; people who do not get majority approval do not advance to the second round. (GP: approval voting does not work. I've been there.)

Olsen moves to amend: Delete "in LP News". We do not publish it very often. Neale interrupts to express his opinion. Neale gives Tomasso the chance to speak against the amendment. Redpath speaks against the motion. Neale believes that many past committees have not bothered to tell the membership that there were openings on the LNC. Discussion of filling at large and officer positions. Some officer positions need to be filled reasonably rapidly. Cloud notes that the election process can be gamed against everyone's second choice. Neale is given a motion to extend for five minutes. He does not ask if there is a second. When someone tries to second he claims that it's too late. There is then an immediate motion to extend for three minutes. The extension is seconded. There is then a voice vote. (GP: Neale was becoming dictatorial in his behavior, in my opinion.)

Visek, I think the process is a bit too complicated. *Hinkle argues that telling the members that there is a vacancy does not matter because the LNC will only vote for known candidates, not applicants from the membership.* He cites the secretary election as an example. Someone urges that there is no rush electing at-large people so we should do it right.

Roll call vote: Hagan, Vohra, Starchild, Tomasso and someone vote yes. Wrights and Neale abstain.

Fill APRC vacancies: Cloud nominates Gary Johnson of Texas. Vohra nominates Hinkle. With no objection the two men are elected to the two vacancies.

Redpath for 20 minutes. He moves to increase ballot access in the 2013 budget from \$0 to \$1700. Neale asks to increase up to \$1800. Mr. Wrights objects. There is some very strange byplay where Wrights says that Redpath does not have to cover his ears over something that is not spoken. Apparently there was something discussed in executive session yesterday. The rationale for this motion to spend money is being kept secret from the membership. Vohra votes no. Wrights votes no. The other 16 vote yes. Secretary asks if all ballots have been submitted for convention committee. Redpath says there are no specific proposals for petitioning at this point. He may come forward with a proposal in the near future for Arkansas. He

thinks Alabama and North Dakota should be done differently. Redpath wants to know whether they should let the executive committee decide whether to advance with Arkansas balloting or whether a mail ballot is desired. Paul takes a question and has a very sharp and knowledgeable answer. He is much more precise and rapid than Redpath. Someone makes the emphatic point that the LNC as a whole has to amend the budget. Redpath says that the Arkansas state chair says that they have candidate for governor who can get 3%. We've never before had a candidate for governor in Arkansas. Visek begins to speak, and Redpath interrupts her, discussing project-based fundraising for ballot access. Visek proposes this is a good time to try project-based fundraising for ballot access. Vohra proposes project-based fundraising and using ballot access and voting rights is an issue. Visek speaks up for ballot access fundraising on campuses. (GP: In Massachusetts state universities, this would be totally illegal.) Paulie gives detailed rational arguments for doing Arkansas by the end of this fall. Redpath speaks doubtfully of using ballot access as the fundraising pitch.

Regional reports: Olsen explains that because he represents smaller states, they have fewer people and therefore it is harder to have a state party that is big enough to be effective. Olsen says Mike Fellows is not an ideal candidate. Montana defeated a Republican top two primary system. Arizona is proposing that all people should need same number of signatures to get on the ballot. Olsen is against this. Kansas is organizing by county, even though they have over 100 of them. Olsen says that Colorado has a quorum requirement for its state committee such that if positions are vacant it can interfere with getting quorum.

LP California is adding registered voters even though other parties in California are losing them. Lark asks why. Wiener opines that the Johnson campaign was helpful. Redpath wonders if it would be effective to recruit registered California Libertarians into party members. Wiener notes that California has online voter registration that works. Starr notes that all voters can vote for any candidate in the primary, so there is less disincentive to registering Libertarian. Cloud notes that 15 years ago converting registered Libertarians worked very poorly, but there is an enormous sea change in social issues among young people. We should try an experiment with 5000 registered Libertarians to see if we can get them to join our party. We also get email addresses and phone numbers with California registrations at least in some cases.

Elected to the credentials committee are Emily Salvette, Vicki Kirkland, Stephen Linnabary, and Mike Kane. Runoff between Beth Duensing and Gary Johnson. Johnson withdraws. Duensing is elected. Johnson has a radio show. He has been doing this for 26 years. Salvette is proposed as interim chair. Neale praises Salvette's virtues as interim chair, but emphasizes this is as interim chair. Neale dragoons committee into appointing Emily Salvette as interim chair.

New England-New Jersey is looking for new alternate representative. New Jersey has state legislative elections this year. So does Virginia.

Bylaws and rules committee tally for election. Only four win-

ners were from the LNC so there is no limitation issue. There is a three-way tie for the ninth place; they need to elect two of the three. Neale does a superb job of explaining how the three-way tie elects two people in the end. The choices are Rob Latham, Aaron Starr, and Matt Wittlief.

Lark gives a report. It was revised. A statement from Paul was added objecting to a claim by the (GP: Now Former.) Pennsylvania state chair. Virginia state party would like state legislative districts added to its data dump of members. Visek notes that unless adding districts can be automated it gets very expensive because there is redistricting. Chair says there is a computer package that will do this, but some custom programming is needed. Also Virginia wants registered voter data for registered Libertarian voters, and half the country does not use registration by party. Lark asks that people inquire if other states are interested in this. It is asked what is going on in Pennsylvania. Lark says that there are two polarized camps going at each other. Neale quotes a Pennsylvanian: Pennsylvania, the Oregon of the East. Moulton is appointed interim chair of the Bylaws committee. Rob Latham and Matt Wittlief were elected; Aaron Starr is the first alternate.

A scheme for appointing alternates, namely the people who came closest to winning but didn't, is chosen for putting alternates on the convention committees. Committee agrees to pass this unanimously.

Platform committee: a remarkable amount of time is wasted rather than just reading out the candidates in order of how many votes they got. However, that list is in the end read.

Regional Report: Oklahoma has challenges for running candidates as Libertarians. The Oklahoma state webpage is critiqued. Oklahoma State party had a public meeting with 25 people at it. Neale: it is better not to put tinfoil-hat-wearing Libertarians on the stage at a meet-us meeting. Redpath appears to say we need a better Oklahoma chair. Efforts to amend Oklahoma laws been quite difficult. (GP: when last I checked, except for President, you can get on the ballot in Oklahoma by paying a filing fee. You are nominally running as an independent, but as was demonstrated by Joe Kennedy in Massachusetts, the press will call you a libertarian if they mention you.)

Olsen is working on using an audio mixer to balance several microphones and get a good audio recording of the entire meeting. They have mostly been sitting around waiting for votes to be counted for the platform committee election. Joe Buchman is elected interim chair of the platform committee.

Tomasso moves to establish a presidential campaign support fund. Tomasso believes it's important that we demonstrate to the presidential nominee that we can give them some support. His says it will give us better candidates. Tomasso wants to use project funding to an encumbered fund so it has no effect on the general budget. There is then some amount of parliamentary foofaraw. Lieberman makes a parliamentary point that is sufficiently obscure that the chair is not sure what is being asked. I didn't follow it either. Lieberman proposes that the spending cut off should be November 30 not election day.

Starchild notes that letting us spend the money on other things would give us more leverage with presidential candidates. Apparently the Johnson campaign complained that they did not get strong affiliate support because we need stronger affiliates. Olsen urges that the money would better be spent on strengthening affiliates. Neale expresses concern that the money can be spent for so many different things, indeed almost anything, and this risks annoying donors. Cloud opines that the problem with the Johnson campaign was that they didn't try to interact with our existing state parties. His remarks imply that the difficulty was the Johnson was not an internal candidate the way Browne and Badnarik were, and was not sensitive to what could be done.

Voting against: Starchild, Olsen. There were 14 yes, one abstention and Wrights recuses himself-potential future conflict.

Neale asks that the rosters of committee memberships be taken out of the policy manual because they can be changed all the time. Lieberman thinks it is very convenient to have all information in the policy manual. Neale objects to dynamic data in a static document. Wiener notes that we put the names into the policy manual because the policy manual was being updated more reliably and often than anything else.

Neale moves to change the convention committee organization. There will be an oversight committee, and organizing committee, and a site selection committee. The committees have members and charges. Neale notes that we used to have a variation on this, the committees got shoved together, and the merged committee only has two non-LNC members on it, which is unworkable. You need both several local people, and several people who've run national conventions before. Visek notes you could simply change the membership of the one committee. Neale's arrangement means that we have four committees counting the LNC and it gets very complicated. Committee extends for 15 minutes. Tomasso asks if the committees must be different people. Neale: It depends who was available. He reports that the people who ran the last convention, which succeeded thanks to several miracles, have absolutely no interest in helping with the next one. Starchild: We would be giving up some direct LNC oversight. Neale: At the moment the chair chooses the five LNC members of the convention oversight committee, and they choose the two non-LNC members. This way, the LNC gets influence on the non-LNC members. Cloud speaks up for Neale proposal. Neale: Site selection will submit a list, and LNC will act. Question is called.

Vohra: discussion of project funding. There are several interpretations out there. In one, people raise money by themselves using no LNC resources. In the other LNC resources are used raise money. He is uncomfortable with the first for mission critical issues like the website. Cloud notes we used to do these projects. Website should be a central function; a core function should not be crowd-funded. Neale: I think there are more than two categories. Vohra: sometimes we need to do things very quickly. Look at the anti-gun groups after Newtown. Neale: to be responsive you need money, tools, staff, techniques etc. We don't have very much of those. We're a ragtag army. They have a full-time chair. You can't reach me by phone until I leave the building. (Phillies: I seem to recall we have a full-time Executive Director.) Lark: is the question how much oversight the

LNC should be giving to projects? Someone: we don't have a political director. We don't have a fund-raising director. There need to be some FEC rules compliance issues. Frankel: party raises money for menu of choices. We would give the membership a list of choices. Olson: have things canned and ready to go. For example, we know that there will be another shooting incident. Visek: policy manual currently deals with this. We already have rules on how projects work. (Phillies: these rules appear to be very workable for projects that are appropriately project-funded, and that do not need great rapid immediacy of development.) Neale suggests there should be a concrete proposal on what else to add, to be developed outside the meeting. Starchild proposes LNC members could propose projects which the LNC would then act on.

There is a gap. They are now electing the convention oversight committee. Nominees are Kirkland, Wrights, Starchild, and Goldstein. The committee is electing two people. Committee takes a break to check out of the hotel.

Hinkle motion: wants notification on motions to the LNC for meetings to be reduced for 14 days to 10. After all, we only have 10 days to vote on electronic motions. Visek opposes. This rule is only for things that were previously voted. The motion is for the members, not just for us. People something need reasonable notice so they can plan to show up again and defend what they got done. Neale: chair must put items on the agenda. I need time to do this. Seven days would be impossible.

Wiener: absolute majority of LNC can adopt motions without prior notice. That's good enough. Absolute majority is an extremely important procedural safeguard. Roll call on motion: (took two minutes to get to a vote) Olson no Kirkland yes Lieberman no Tomasso no Redpath pass Starchild yes Vohra yes Visek no lark no Hinkle yes cloud yes Wiener no Goldstein no Johnston yes ? No Wrights abstain Blau yes Redpath abstain Neale abstain. Seven yes eight no. Motion fails.

Neale: Kirkland resolution needs unanimous vote. Neil tells Kirkland she is required to read out loud a resolution. Kirkland resolution is a defense of juries trying the law, a defense of freedom of speech, and a defense of Julian Heicklen. Heicklen was put in contempt of court. Heicklen fled to Israel. His contemporary is serving 147 days in jail. Redpath notes there was no opportunity to read the decisions in advance to decide whether they are reasonable or not. This is particularly true of the appeals decision.

Visek: how many of these can we handle? There are a lot of these every time. Neale: resolution does not tell people why we are upset. It is not usable to circulate to the outside world. Starchild: I sent the material to Heicklen, and thought he would fill in the details, which he did not. Tomasso moves to postpone indefinitely, until we can get better language. Wrights: the motion cannot be withdrawn without the board's consent. Resolutions should be proofed and discussed in advance.

Tomasso: strategic goals. We do not have measurements for the strategic goals. What sort of benchmarks do we want to have

for states with ballot access. How do we measure our success? We need more specific goals rather than more nebulous goals. We should not set them right now. Visek tracking is good. Setting numbers is less effective. Olson: goals should be attached to a plan of action. Before you set goals you need a purpose. Goals without plans are pointless. Redpath argues for changing the election scheme to proportional representation. (Phillies: friends who've looked at foreign countries do this report that it leads to massive corruption and ineffective or extremist government.) We want to move in libertarian direction; that's our goal. We should discuss tactics, not strategy. Neale goes on at some length despite being Chair that the LNC setting strategies does not work because the people setting strategies are not responsible for causing anything to be done. Cloud: donors and activists are moved by momentum. A talking organization attracts talkers, like freedomfest. Media mention is important. People in general care about our candidates. Our objective should be to support candidates. Johnson? (GP: I found his remarks too obscure to minute.) Visek: we differ on tactics not dogma. There is an issue of time and patience. Some people want everything; some people are willing to slice the salami one bit of the time.

Hinkle had two motions. He did not bring printed copies of one so he defers to mail ballot. He also proposes to strike the requirement that the employment policy committee check proposal contracts before the chair signs them. He says that motion was directed solely at him. The motion delayed hiring Carla as ED. Visek: This was a very important contract. It should be reviewed by people other than the chair. The objective is to vet the contract so that it is acceptable. (Phillies: in many places, there are legitimate searches for major employees.) Starchild: I think this is a good policy. Neale: This is the only important part of what that committee does. Someone has to review contracts that I sign. Lark: As a former chair I think it is appropriate to keep this in place. There was a historical case in which a past national chair hired an ED, and a particular aspect of the contract became a nontrivial issue. Move to extend time fails. Roll call: Starchild no Vohra no lark no cloud yes Wiener no Goldstein no Johnson no Hagan no Wrights no Neale no Blau no Olson no Kirkland abstain (Phillies: Once again, this is Hinkel trying to undo last term.) Lieberman pass Tomasso no Redpath no Visek no. Hinkle yes. 2 to 14 is a defeat.

Discussion over awards committee. Discussion between Neale and Lark over the record but in the end Redpath is put on the committee. Neale I did not put the location of the meeting after next on the agenda because we can do it better by mail ballot. We spent at this meeting 117 seconds thanking each other.

LNC thanks local libertarians for their efforts in organizing supporting this meeting. LNC will perhaps meet at or near Caesars Palace in Las Vegas on July 14. The question is whether it will also meet on July 15. I think. It seems that it will be two days. The physical location of the meeting has not yet been determined.

Alternates for committees announced. See official minutes.

End of business.

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Johnson Systematically, Massively, Under-Reported His Pre-Nomination Campaign Debts

He Paid His Staff \$100+, \$200+, Even \$300+ ...an Hour

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