AMERICANS FOR LIMITED GOVERNMENT FOUNDATION
WWW.GETLIBERTY.ORG

9900 Main Street
Suite 303
Fairfax, VA 22031
Phone: 703.383.0880
Fax: 703.383.5288
info@getliberty.org

Mr. Terrance R. Kelly
2535 Eudora St.
Denver, CO 80207

Dear Mr. Kelly,

Recently a new left-wing organization announced that it would be targeting donors to conservative, free-market organizations. The major press announcement stated that the organization intended to engage in such activities as "public exposure," having "watchdog groups digging through the lives" of these individuals, and "possible legal trouble."

As someone who has been put through that abuse over the years, I can tell you from first-hand experience that it is not fun and not something to take lightly. I have supported groups and efforts that I believe will push back against the radical agenda of the Left. And, I have paid the price for it, in attacks, slurs and threats.

As a donor to one or more of these organizations and efforts, you have been able to engage in these activities without notice, operating in relative obscurity. I am writing to inform you that this will no longer be the case.

Your name has been put in our database. We are monitoring all reports of a wide variety of leftist organizations. As your name appears in subsequent reports, it is our intent to publicize your involvement in your local community. Should any of these organizations be found to be engaged in illegal or questionable activity, it is our intent to publicize your involvement with those activities. You should know that instances of coordinated voter fraud are surfacing all across America and investigations into possible criminal coordination are underway.

For your review, I have enclosed a memorandum from our legal counsel.

Sincerely,

Howard Rich
Chairman

LAW OFFICES
WEBSTER, CHAMBERLAIN & BEAN
1747 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006
(202) 785-9500
FAX: (202) 835-0243

ARTHUR L. HEROLD
ALAN P. DYE
EDWARD D. COLEMAN
FRANK M. NORTHAM
JOHN W. HAZARD, JR.
HUGH K. WEBSTER
DAVID P. GOCH
DAVID M. REPASS
CHARLES M. WATKINS
HEIDI K. ABEGG
DAVID M. ABRAHAMS
JOHN R. STROUT
JAMES S. WILSON, JR.
SARAH E. MOONEY

GEORGE D. WEBSTER (1921 - 1996)
CHARLES E. CHAMBERLAIN (1917 - 2002)

OF COUNSEL
J. COLEMAN BEAN
KENT MASTERSON BROWN*

* NOT ADMITTED TO D.C. BAR

MEMORANDUM

COPY

TO: Howard Rich, Chairman
Bill Wilson, President
Americans for Limited Government

FROM: Frank M. Northam

DATE: September 22, 2008

RE: Heightening Awareness of Political Activity

The federal election laws require the reporting and disclosure of the identities of contributors to political candidates, political parties and politically active organizations that are subject to regulation by the Federal Election Commission. In addition, publicly available reports to the Federal Election Commission contain the names of individuals and organizations that provide services or other support to PAC's and advocacy groups. Section 527 organizations file publicly available reports with the Internal Revenue Service that disclose the identities of all of the contributors to those 527 organizations.

The mandated public disclosure of this information is intended to provide the public with valuable assistance in exercising the right to vote and, as the Supreme Court has acknowledged, is "fundamental to the political process."

Because information concerning political contributors and activities is fundamental, the public may freely discuss and comment upon those individuals and organizations that engage in political activity. The "transparency" sought to be achieved by disclosure, is intended to encourage open discussion and debate concerning politicians and issues, as well as the proponents and opponents on each side. The intended result will be an "informed electorate."

Undisclosed Political Activity

Despite the mandatory disclosure rules, there are many 527 groups and nonprofit organizations that engage in fundraising and political activity without filing reports with the Federal Election Commission or the Internal Revenue Service. In fact, in recent years, the Federal Election Commission has been recovering record amounts of fines and civil penalties in large part due to 527's and nonprofits that violated the law by collecting and expending millions

of dollars that should have been fully disclosed. In many of those cases, the FEC investigations that led to the imposition of fines and penalties were instigated by complaints filed by nongovernmental watchdogs.

The federal election laws expressly anticipate active citizen oversight of the Federal Election Commission and its enforcement role and encourage citizens to monitor political activities and to make their own reports/complaints to the FEC. Any citizen may file a complaint with the FEC, alerting the Commission to alleged violations of the election laws, and the FEC must take some action on the complaint.

Although the Federal Election Commission may initiate investigations and compliance proceedings on its own, the Commission is also reliant on nongovernmental individuals and entities to alert the Commission to election law violations.

Individuals and groups, engaging in political activity that is not reported or disclosed to the FEC or IRS, may be discussed and commented upon just as much as those individuals and entities that do file reports and make disclosures. If the non-reporting individuals or groups do violate the election laws, they can be subject to severe monetary penalties, as well as other sanctions.

Election Law Violations

In the 2004 election cycle, there were several 527 organizations and other nonprofits that collected substantial sums of money, in violation of the federal contribution limits, by advising contributors that the monies being solicited were not subject to FEC regulation. In actuality, as later determined by the FEC, those monies were subject to regulation and exceeded contribution and expenditure limitations.

The FEC exacted substantial monetary penalties in resolving the investigations of those entities and imposed severe restrictions on their continued existence and operations. During the investigations, the FEC also utilized its extensive law enforcement authority to delve into the files and bank account records of individuals who had made contributions to the groups that were under investigation.

The FEC has broad investigative authority, including subpoena power which permits the Commission to subpoena records from virtually any person who actively contributes to or participates in an organization or group under investigation. The FEC may also force people to provide depositions and testimony under oath.

Both civil and criminal penalties may be pursued for violation of the election laws. Civil penalties in the amount of $5,000.00 or more per violation may be sought by the Commission; if the amount of money involved in a violation exceeds $5,000.00, then the Commission may seek that greater amount. The Commission may also seek injunctive relief imposing restrictions on a person's future political activity.

By their nature, many FEC investigations and enforcement proceedings drag on for years and the individuals involved in the matter being investigated will be subject to having to respond to inquiries and requests for records throughout the investigation.

Both governmental enforcement of election laws and the exposure of illegal political activity by civic-minded individuals serve to promote informed public opinion and to prevent misuses of the political process and abuses of the laws governing political activity.