

LNC Executive Committee Meeting

Teleconference

May 2, 2001

Present: Jim Lark, Chair
Deryl Martin, Treasurer
Steve Givot, Secretary
Ken Bisson (IN), At Large Representative (joined meeting during Chair's Remarks)
Joe Dehn (CA), Region 2 Representative
Michael "MG" Gilson de Lemos (FL), Region 4 Representative (joined the meeting during National Director's Report and left the meeting prior to the Ballot Access Update)

Also present: Lois Kaneshiki (PA), At Large Representative
Dan Wisnosky (NV), Region 2 Alternate
Sara Chambers (IN), Region 3 Representative
Richard Schwarz (PA), Region 5 Representative

Staff: Steve Dasbach, National Director

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

Item: Approval of Agenda

Lark suggested adding a discussion item relating to making employment contracts and performance review documents available to LNC members.

Without objection, that item was added to the agenda.

Item: Chair's Remarks

Lark thanked all members of the Committee for their good work. He also thanked the members of the Strategic Planning Team for their hard work.

Lark announced that John Buttrick has been appointed to the Arizona Superior Court, Maricopa County. He said that this is the first time that any active third party member has been appointed to the bench in Arizona.

Lark said that in the coming weeks he will be presenting the LNC with a recommendation regarding the extension of the employment contract of the National Director. He said that the National Director's previous employment contract has expired.

Givot asked Lark to consider incorporating into his recommendation changing the title of Dasbach's position to Executive Director as part of any new contract. He said that this title will better convey the scope of the National Director's position within the organization to outsiders.

Item: National Director's Report

Dasbach said that revenues from the recent email fundraiser will permit payment of some of the past due accounts payable.

Dasbach reported on the web advertising tests. He said that trying to "be clever" by targeting the ads in certain ways did not significantly improve results but did increase costs.

Dasbach said that he has been busy putting together data requested by LNC-SPT for the coming weekend's meeting in Durham.

Dehn asked questions regarding the methods used to track response to the web advertising and approximately how many new members had joined as a result of this.

Dasbach answered his questions.

Dehn asked when the new online credit card facility would be ready for the web site.

Dasbach said he expected it to be ready within the next few months.

Dehn asked about the relationship between the fundraising letter about to be mailed and the recent e-mail appeal.

Dasbach said that they were very similar but that some people would respond to one that would not respond to the other.

Dehn asked for additional information about the limitations on our ability to compute counts of new and lapsed members for various years.

Dasbach indicated that the new database system has some reports that could provide additional information but that they do not work.

MG and Givot thanked Dasbach for the monthly summary reports which they said were very helpful.

Item: FEC Lawsuit

Givot said that he has three issues relating to LP participation in the proposed FEC/FECA lawsuit.

Givot said that the first issue is whether or not Perry Willis violated LNC policy in working for the Browne campaign in February 1996 and other months. He said that the policy in place at that time would have required Willis to have prior approval of any such employment. He said that he understands that no such approval was granted.

Lark said that he contacted Willis and asked for an explanation. He said that Willis told him that he would respond soon, but Willis had not yet responded.

Dasbach said that, based on his recent contact with Willis, we should proceed under the assumption that Willis did work for the Browne campaign during that time period in violation of LNC policy.

Givot said that his second issue is the failure of John Famularo to provide information relating to this to the LNC in a timely manner. He said that Famularo had withheld information which indicated that -- while Famularo was LNC Secretary -- Willis had violated LNC policy.

Dasbach said Famularo recently told Dasbach that the invoice from Willis for Browne campaign related work came into Famularo's possession in 1996.

Givot said that for four and a half years, Famularo has intentionally withheld this document. He said that during that time period, Famularo has publicly prodded certain LNC members -- including himself -- to investigate allegations of Willis working for the Browne campaign while Famularo intentionally withheld the documentary evidence which Famularo had in his possession all along.

Givot said that with regard to his first two issues, whatever facts are known should be conveyed to LP members openly so that there is no fair basis to claim that the LNC, Executive Committee, or staff are trying to cover up improprieties.

Givot said that his third issue is opening up the candidate-plaintiff group to more potential Libertarian presidential candidates. He said that he wants to avoid the appearance that the LP is partnering exclusively with Browne and Willis on this lawsuit, since that should not be the LNC's intention.

Dasbach referred to a recent memo written by Hall relating to this possible strategy.

Givot asked that Hall be present at future Executive Committee meetings when this matter is on the agenda so that it is possible for Hall to participate in such conversations.

Dehn expressed concerns that additional information is needed to determine whether or not to participate in the lawsuit. He cited input from Richard Winger as an example of such information. He said that all costs and benefits must be taken into consideration when the final vote is taken on participation in the lawsuit.

Bisson moved that the Executive Committee recommends that the LNC agrees to participate in the lawsuit under the conditions that we do so at no costs to ourselves and that our mailing list be provided only at the usual and customary fees.

Martin seconded.

Bisson said that this approach solves two potential problems.

Bisson said the approach he proposes eliminates any financial or non-financial costs to the LP as a consideration because we would rent the list on the same terms as we would to anyone else.

Bisson said that this avoids the need to enter into any agreement with people associated with Willis other than a value-for-value exchange.

Martin said that he is under the impression that when the final recommendation comes from the Executive Committee to the LNC, any additional information, such as Dehn suggests, could be discussed and considered at that time.

Dasbach said that the question of charging or not charging for the use of the LP mailing list does not address the issues raised if Willis violated LNC policy in 1996. He said that if the LP charges for use of its lists, it is reasonable to expect that others participating in the lawsuit will do so as well. He said that this will require more mailings to raise the same amount of money on a net basis than if the lists were used without payment. He said that these additional mailings might prove financially detrimental to the LP.

Dasbach said that he feels the way to deal with Willis is to require detailed reporting of revenues and expenses on mailings using the LP mailing list.

Dehn said that regardless of what the LNC does, some people will perceive participation in the lawsuit as a favor that the LNC is doing for Browne and Willis. He

said that he made a specific comment about the need for additional information at the LNC meeting because he did not have an opportunity to get outside input at that time.

Givot said that his future support for LP participation in the lawsuit has nothing to do with whether the list is rented or given for use without charge. He said that Willis' apparent past breach of policy and subsequent dishonesty regarding that breach gives rise to questions over whether he can trust Willis to adhere to any agreement that might be reached relating to the lawsuit. He said that, despite his past strong support for participation in the lawsuit, he could not support such participation unless his concerns about Willis' role are adequately addressed. He said that -- thus far -- nothing in the discussions has addressed his concern.

Bisson said that when the LP rents its list to others, as long as it is for a cause that does not conflict with us, we have no control over what they do with the money.

Dasbach said that because we are a plaintiff, we put our stamp of approval on the lawsuit and -- implicitly -- the fundraising activities to support it. He said that this creates a different set of issues. He said that generally an organization which rents its mailing list does not permit its name to be used in the letter.

Givot suggested that if the LP raises the money for the tax-exempt foundation, if the money is mailed to and tallied by LP headquarters so that it can be measured precisely, if 100% of it is turned over to the foundation, if the foundation fully and exactly reimburses the LP for its out-of-pocket costs in sending the letter, if the foundation passes on 100% of the difference between the revenues and the costs reimbursed to the LP, and if the law firm acknowledges the exact amount received from the foundation due to the LP's efforts, that the LP will have a completely auditable paper trail showing that 100% of net proceeds from such efforts went to the attorneys and that none went to Willis. He said that this is one way to avoid the issue of having to trust Willis again.

Dasbach discussed other possible controls that could be put into place to document all receipts and expenses.

Martin said that the only argument that he has heard not to join the lawsuit is the perception that we are part of a "cabal." He said that he is strongly against the LP raising money for any other organization.

The motion failed on a 2 to 2 vote. Bisson and Martin voted in favor; Dehn and Givot voted against.

Item: Ballot Access Update

Lark said that this item was on the agenda at the request of MG. (MG was not present at this time.)

Dasbach said that he understands that MG was hoping to find additional funding of up to \$5,000 to complete the NC ballot drive. He said that after visiting NC this weekend, additional funding could be provided if necessary to successfully complete the drive.

Dehn asked if Dasbach anticipates a problem in completing the NC ballot drive.

Dasbach said the filing deadline for running candidates later in 2001 is mid-May. He said that he does not anticipate missing that deadline. He said that the greatest risk would come if the fundraising letter about to be mailed does as poorly as the prior fundraising letter.

Dehn asked if anything should be done to prepare for the possibility that we will not have sufficient funds to complete the scheduled ballot drives.

Dasbach said that there is nothing else to be done except to raise the necessary funds. He said that spending is being held to minimum levels to prioritize availability of funds to complete the scheduled ballot drives.

Lark asked Dasbach for an update on ballot drives in NE and NC.

Dasbach said that NE has a signature distribution requirement. He said that while he believes that this requirement has been met, things are close. He said that he expects that the petition will be filed in a week or so and will be accepted.

Martin said that if the difference of an additional \$1,000 to \$2,000 is required in NC, given the state of the LP treasury, he would recommend that LPNC funds that need.

Dasbach suggested that this weekend in Durham will be the best time to determine what additional national funding should be provided to complete the NC ballot drive.

Item: Policy on Providing Staff/Employee Information to LNC Members

Lark said that he has received a request from an LNC member relating to LNC-SPT regarding the details of the National Director's employment contract. He said that he has no problem with LNC members being provided with information on the employment terms of the National Director.

Lark said that he would like to see some guidance from others on what should be provided in the context of an open meeting.

Dasbach said that the terms of his contract should be available publicly as well as the total cost of staff compensation and the number of people on staff.

Dehn said that the LNC has already decided this policy in the past -- exactly as Dasbach stated. He said that if there are aspects of the National Director's salary which are based on specific measures of performance, those terms should also be made available.

Givot said that in his experience, if copies of employment contracts are shown to boards, they are never to be taken from the room or copied. They are for on-site inspection and review only.

Dehn asked why the contract needed to be kept confidential if all the terms in the contract are made public.

Dasbach said that he did not want to set a precedent that documents of this type could be freely distributed.

Dehn suggested that the Chair summarizes the terms of the contract in a memo that can be publicly disseminated and that the Chair makes the contract available for inspection by LNC members who wish to do so.

Givot said that the discussion was going far beyond what needed to be addressed to handle the pending request. He said that the requester was very clear and specific about the reason for the request. He said that the reason given was to determine whether the National Director's compensation was based on any particular measurement of performance (e.g., membership growth) such that a decision by LNC-SPT to alter the party's focus on that measurement would have an impact on the National Director's compensation.

Givot asked Lark if there was any such feature to the National Director's (currently expired) contract.

Lark said that there were no such features.

Givot said that this should end the discussion unless there are any other specific requests outstanding for such information.

Lark said that this is part of a larger series of questions as to what information should be made available to the membership for examination.

Givot said that what needs to be addressed for the coming weekend has been addressed. He said that the rest should be left to the LNC as there is no apparent need for the Executive Committee to delve further into this matter prior to the August LNC meeting.

MG said that we should all be sensitive to the need for openness. He said that the purpose of the contract is to be clear on what the LNC wants its employees to do, and the alternative is no contract but service at pleasure. He said that the concern is to understand what people are doing and how that relates to what the party is doing and the growing need to rethink our organizational structure. He said that we should start thinking about that based on what we are learning from LNC-SPT.

Dehn asked how Lark plans to propose an extension of the National Director's contract.

Lark said that he plans to send out a memo, ask LNC members to consider his recommendation, and to vote on it at the August LNC meeting.

Dehn asked Lark whether it was the case that contract to be extended was the same one that had been approved in 1998 and whether there had been any changes in the meantime other than what was already on record with the LNC.

Lark and Dasbach confirmed that the contract was the same one that had been approved in 1998 and that had been no changes other than those already on record with the LNC.

Item: Remarks for the Good of the Party

Lark thanked the efforts of LNC members, Executive Committee members, and Strategic Planning Team participants.

Lark thanked Givot for permitting him not to have an LNC-SPT homework assignment over the past two weeks. He indicate that this was due to being swamped with professional responsibilities at that time.

Bisson announced that his sailboat is in the water and that all are invited to attend a picnic on July 29, 2001.

MG said that if there are future sessions of LNC-SPT, local Libertarians in Orlando are interested in hosting an LNC-SPT meeting.

Item: Next Meeting Date and Time

Lark said that the next scheduled meeting time is May 16, 2001 at 8:30 PM EDT.

Givot said that he expects to be available at the start of the Executive Committee meeting but may be delayed. He asked the Committee to start the meeting without him if he is delayed and asked Joe Dehn to act as secretary in his absence.

MG said that he will not be available for that meeting as he is participating in a debate with members of the Green Party.

The meeting adjourned at 10:15 PM EDT.