

Liberty for America

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Crusading for Liberty Since 2008

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But, first,
Merry Christmas to All!
And all those other Holidays, too!

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EXECUTIVE SUMMARY

Editorial Note

As indicated sometime back, I expect the publication of this newspaper will become somewhat less regular. Indeed, when it came time to consider preparing the previous issue, it appeared that there was essentially no interesting news at all, and therefore there was no rational reason to publish an issue. Naturally, so soon as that time of month had rolled around past the deadline, large amounts of interesting news appeared, so we are bringing out an issue.

How to Spend Money

Carla Howell found this really neat, highly recommended by others video. She writes of it: You might find this interesting, especially stats on how much D/R campaigns are now spending on digital media as a % of their campaigns.

<https://www.youtube.com/watch?v=Xg9DzITai4s&feature=youtu.be>

Oklahoma Ballot Access -- Good News

It appears that we will have our Presidential candidate on the

ballot in Oklahoma next year. The LNC spent much time dealing with Oklahoma ballot access. If you believe comments on Independent Political Report, the drive was initially underfunded, did not pay enough for signatures, got off the ground in a very tardy manner, but thanks to a late infusion of funds will probably put our presidential candidate on the ballot there, for the first time in a fair number of election cycles. The final news is therefore good. We will probably have a presidential candidate on the ballot in Oklahoma at an expense of \$80,000 or so, give or take a significant amount. That price is not surprising.

Ballot Access Committee

Every LNC meeting, the LNC receives a report identified as coming from the Ballot Access Committee. The reports are not what they claim to be, namely they are not reports from the LNC committee on ballot access. In fact, I am told by several of its members that the committee in question has not even met since it was organized.

Readers will recall that the LNC is occasionally afflicted with parliamentarians who use the rules of order as a scheme to demonstrate their superiority over the rest of the committee. Curiously, Roberts has a very clear rule on committee reports:

“... The committee's report can contain only that which has been agreed to by a majority vote at a meeting of which every member has been notified, or at an adjourned meeting thereof (a quorum, a majority of the members, being present), except where it is impracticable to have a meeting of the committee, when it may contain what is agreed to by every member...”

but the usual Roberts' supporters have been entirely silent, when the reports not from the Ballot Access Committee are given. After all, the committee has not met, let alone voted to approve the report. Perhaps the Roberts' supporters were unaware of the facts of the matter.

As a resident of Massachusetts, I have a personal interest in this. For several cycles of LNC meeting, the report not from the Ballot Access Committee has made a point of singling out my state to claim that if we had major party status (Massachusetts uses a different term of art), we would not need to petition in order to get ballot access. Now, that statement is equally true about several other states, for example our neighbor Connecticut. However, Connecticut gets no such comment in the report on that state. Furthermore, as a description of Massachusetts, the claim that we would not need to petition if we were major party is completely false. When I have challenge the claim on Independent Political Report, one of the perhaps-authors of the report has responded with a variety of red herrings, evasions, and efforts to change the topic in order to disguise the fact that the report statement about Massachusetts is completely false.

To set the record straight, as reasons why you should perhaps not believe the report not from the Ballot Access Committee:

1) A reasonable man would expect that if the committee were going to give a report it would bother to contact the state parties in each of the states to see if their information is accurate. For example, does the report correctly reflect the

current legal situation or what the state party is doing. I have spoken to several state chairs and I can assure you that the Committee has not done so, at least not systematically.

2) The report claims that if the Massachusetts Libertarian Party were a major party that we would not need to petition. The claim is complete blatherskite. At one point, one of the report's possible authors seemed to claim that we would be doing the needed petitioning anyhow for other reasons. Apparently admitting that the claim is false is way to prove the claim is true.

3) As a way to change the topic, one of the report's possible authors then went into a rant about the fact that the local state affiliate has not tried suing the state. The rant was coming from people who are not attorneys. Fortunately, the Massachusetts state affiliate has for many years had on its state committee an attorney. **He is not our attorney, but he is an attorney.** He emphasized that while it is very easy for people who are not attorneys to talk about suing, in general suing people is a really bad idea, because you may lose in a way that locks things into a position in a way that you did not want. For example, as a result of Massachusetts suit was filed, for the local Federal Circuit Court of Appeals region, there is a Court of Appeals level decision that states are not required to permit ballot substitution if the candidate changes.

Finally, the Ballot Access Committee might be expected to set policy for ballot access drives. However, work is needed here. There were reports that the Ballot Access Committee Chair was going to demand \$500 or 500 signatures from each member of a state committee, as a price for supporting petitioning in their state. For starters, if it were, we would know whether the policy was "500 signatures or \$500" or "500 signatures or payment for 500 signatures", which we have heard quoted. This rule should have been an LNC policy.

Presidential Candidates

We have a substantial number of candidates running for our presidential nomination.

The most recent Presidential Candidate is John McCaffee, who made a fair amount of money on computer security software, briefly formed the Cyber Party, but will now be switching over to the Libertarians. McCaffee is a bit of a character; his knowledge of political campaigning is unclear. IPR coverage implies that Jesse Ventura would be a better candidate. We also have Gary Johnson, who will by rumor announce in January or February, minimizing the time under which he will be subject to scrutiny and criticism for his last campaign. We can assure readers that there will be a great deal of scrutiny of his campaign.

The candidate who has become most visible since our last issue is Austin Petersen. Petersen is running on a variation of the Donald Trump approach to gaining a nomination. Trump's approach is to insult opposing candidates, people who are not liked by members of his party, and on occasion even people who have earned being insulted. Petersen's approach in fair part is to run by insulting not opposing Republican and Democratic candidates, but insulting libertarians, attacking the non-aggression principle, describing what unfortunate people we are, and supporting Republican antiabortionist, anti-gay rights, states' rights advocate Rand Paul.

I should note that I am a state chair, I was therefore called by Petersen, and on a one-to-one conversation he came across as being much more reasonable. He wanted my advice on what he was doing well or poorly, which I was happy to give him. After all, he might be our next presidential nominee, and I would rather he not do as bad a job as the last four nominees did.

While it is always difficult to be sure on the Internet, we've found a number of Austin Petersen quotes that appear to be authentic but that catch the flavor is campaign:

"Listen, I know you're not too bright so I'll make this simple. Hollywood shtick is precisely what this movement needs. The reason libertarians fail is because your personalities are repugnant to the general public."

"The Non Aggression Principle (NAP) Is Pacifist Anarchism, And Should Be Scrapped" -- found on TheLibertarianRepublic.com

"The Platform will change in 2016 with me at its head."

Petersen also has an aggressive and visible media campaign, especially on Facebook, and is campaigning vigorously to win the support of state chairs. If nothing else, he appears to have reactivated the old stale debate about non-aggression and radical to anarchist libertarianism.

Trump? As an aside, unlike many of you, I am old enough to remember clearly the Barry Goldwater 1964 campaign. Trump and Goldwater were not very similar. However, campaign events is presented by the press are very similar between the two campaigns. Goldwater was opposed by a series of Great White Establishment Hopes, each of whom appeared, soared like a meteor across the sky, and burned out without an effect on the final nomination. Whenever the Goldwater campaign had good polling news, the press reported that the polls were not important. When the news was bad, the press reported that Goldwater's fortunes were sinking and his campaign would soon disappear. We are now seeing the same events and approach to manipulating the presidential nomination. Once again it is not succeeding. As a specific issue of interest to libertarians, the Jeb! Campaign has apparently gone through 30 or \$50 million in television advertisements in a small number of early-primary states. So far as can be told the outcome is that his polling position is sinking. As this newspaper has said before for many years, massive media spending can move small number of actually undecided people, if you are lucky, but you cannot buy a victory the American way, by bombing the problem with money.

I have come to the same conclusion as large numbers of other people, namely that the most credible candidate in the race is Steve Kerbel. He takes fundraising seriously. He takes campaign organization seriously. He presents a reasonable set of positions that would advance liberty rather than convincing people that we are crazy. He does not have a record of running a presidential campaign that left behind over 1 million in debt, and that during the campaign would not tell state volunteer coordinators who the volunteers in their state were (or so I am

told by state volunteer coordinators).

Of the other candidates, Darryl Perry and Mark Feldman still have their severe restrictions, self-imposed, on campaign fund-raising, which ensure that in the hypothetical case either of them became our candidate their campaigns would be extremely ineffective.

Rhett Smith has a good reputation, and I include in that positive comments from at least one of his competing presidential candidates, but he is not been very visible. politics1.com actually lists a total of 27 candidates, including several people whose perspective on reality is very different, and most of whom are doing no apparent campaigning at all.

The Libertarian National Committee reached the usual interesting question namely whether and how they should list our presidential candidates on their website. A simple first approximation is only to list candidates who have filed with the Federal Election Commission. The problem is, as also happened in 2012, that there is a presidential candidate who as a matter of conscience refuses to file with the FEC. Nick Sarwark directed that the candidate in question, Darryl Perry, should be listed as a candidate. Nick Sarwark ruled that Perry should be listed; Alicia Mattson objected to what the chair did. The outcome is a vast improvement over 2008, in which the national committee attempted to use their candidate listing to extort money from the campaigns of the presidential candidates. In that year, candidates were listed in the order of how much money they gave to the LNC.

Oregon

Readers will not be astonished to learn that the Oregon dispute continues to the current moment. We are aware of at least three significant outcomes.

First, Ian Epstein, new chair of the Reeves faction in Oregon, has proposed that the Libertarian Party, the Wagner faction, should give up the struggle and re-unite with the Reeves faction under the Reeves faction bylaws, which they call the “compromise” bylaws. The Reeves faction has lost in litigation and is not the group recognized by the Libertarian National Committee. The proposal that the Wagner faction, which has won everything and is running many candidates for office, should simply surrender, was not well received by the Wagner group.

Second, the Libertarian National Committee debated the Oregon issue. In short, the Judicial Committee had ruled that the prior Judicial Committee ruling on the Oregon issue was invalid, and therefore the Executive Committee rulings on the Oregon issue were still in force. National Chair Nick Sarwark ordered the national staff to continue to send contact information to the Wagner faction, And indicated that if the National Committee wanted the other faction to be recognized, they needed to find a motion and a vote. At the November LNC meeting, a motion and vote took place.

Naturally, because this is the LNC, the first thing that happened was that the National Committee spent half of the time on the topic arguing about what the two factions should be called. The meeting topic started with the National Chair

making a ruling on this question. Supporters of the Reeves faction then disagreed. The ruling of the chair was appealed, but was sustained in the end.

The actual motion, due to Dan Wiener, was:

Be It Resolved, that the Libertarian National Committee will fully abide by the Judicial Committee’s 2015 decision concerning the Libertarian Party of Oregon; and

Be It Further Resolved, that in accordance with the Judicial Committee’s 2015 decision, the positions taken by the LNC and its Executive Committee in 2011 with regard to the Libertarian Party of Oregon have not been altered and are currently in full effect; and

Be It Further Resolved, that the Libertarian Party’s staff is instructed to thoroughly comply with the above JC decision and LNC positions as to how it treats the Libertarian Party of Oregon with respect to membership data dumps and the contents of the national LP website and all other matters affecting state party affiliates; and

Be It Further Resolved, that the Secretary of the Libertarian Party is instructed to convey the above information to anyone who may be affected or interested.

Sarwark ruled as a matter of decorum that for the duration of the debate of this motion, we must use the terminology Libertarian Party of Oregon vs. Miscellaneous PAC #16869 to refer to the two groups. The ruling was appealed by Bill Redpath. The Chair's ruling was held 7-6.

There was debate. Doug Craig then moved to table the motion indefinitely. The vote to postpone indefinitely was 8-6. Voters were YES: Bittner, Craig, Hagan, Kirkland, Lark, Olsen, Tomasso, Vohra NO: Goldstein, Ludlow, Mattson, Redpath, Riemers, Wiener. Abstaining: Sarwark

Third, there are suggestions that since the real Oregon Libertarian Party has chosen not to send a delegation to the National Convention, that some group will attempt to show up at the National Convention and pretend to be the Oregon delegation. We have a contested presidential election; there will apparently be a contest for National Chair. Any number of people may see an advantage in adding extra delegates. In any event at least one State Chair from well to the South of here has indicated that if such a delegation is seated his state delegation will walk out of the national convention, and invite other state delegations to the same.

LNC In Action

The membership report for November shows the national party membership is down to 11,198, a decrease of more than 1700 in one year. If you read the LNC discussion list and business list, you will find that this unfortunate change in membership receives almost no attention from LNC members. At this rate, in about five years the national party will be down to its life members, who remain as members until they take a proactive action to withdraw from the party.

Part of the issue is that some regions send extremely weak regional representatives, or keep recycling the same people for year after year and decade after decade, in one case with the excuse that no one else wants the job. Extremely weak? We may consider the regional representative who has missed 10 of the last 11 electronic ballots.

The Libertarian National Committee did receive an audit report. It was a bit surprising. Friends who attended the LNC meeting in question report there was as much argument about whether the report was appropriate as what it revealed. The staff sent a response, claiming that some of the things the audit committee had found were none of the audit committee's business. There was also a secret section of the report on which we may be reporting sooner or later, I imagine, if I think it's worth the time... Probably not.

The long report and the Staff response will be attached with the electronic newsletter as separate files.

First, the LNC rented a machine that will copy, fold, bind, and other things. The machine can be purchased for \$9000 on the internet or \$11,000 from the local source. The rent over five years came to \$30,494.40, at which time the LNC has the option of paying for whatever value was left in the machine, a valuation determined by the people for whom we are renting the machine. The extra cost of the rent seems rather steep. Also, one might reasonably ask how the particular machine was selected, but the LNC did not do that. Maintenance, repair, and supplies are paid separately at \$0.01 per page black and just under \$0.08 color. You will notice that this newsletter has color. I spend significantly less than eight cents a page for the color printing. Using color on my machine roughly doubles the cost of printing from about two cents a page to about four cents a page.

There was also an issue related to income and staff bonuses. A large donation was rebooked from Q4 of one year to Q1 of the next year, which had the effect of substantially increasing the bonuses paid to the executive director and the political director. The date on which the donation should have been booked is fixed under GAAP rules and should not be subject to this sort of uncertainty. There is the interesting feature that the staff bonuses are not based on money raised during the current quarter, net of fundraising expenses, but on money raised so far in the year, cumulative, so that moving income from the second half of the financial year to the first can have the effect of significantly increasing the staff bonuses, even when the same amount of money was raised as would've been without the move from quarter to quarter. The staff bonuses are not insignificant. We are talking about \$3000 or \$4000 for each of several bonuses.

There were also a considerable list of points where employees were allegedly being paid for hours they did not work. Or perhaps there was just bad bookkeeping. The entire report is 34 pages long. The LNC seems to have chickened out rather than acting on it. They may prefer a different set of phrases.

The staff submitted a somewhat emphatic document disagreeing with the report of the audit committee and what the audit committee had covered. The staff appeared to be

trying to perform a purely board function, namely deciding if the audit committee had done things that it should not have done. One senses that there is considerable friction between the staff and the audit committee.

Maine Ballot Access

The Maine ballot access drive was based on collecting voter registrations and submitting them on a fixed date. Apparently the state law does not require the state officers who received the petition to process them within the required legal time window. The matter is now being referred to litigation.

LNC Ballot Access Debate

There was debate on the LNC about whether we should be doing ballot access and why we are doing it. Ballot access takes up something like five parts in six of the LNC's discretionary funds. You could say that the LNC should be spending more money on other topics. You could say that the distribution is about right. You could say that if the LNC was well run, so that the national party was of credible and growing size, all presidential ballot access put together would cost about three quarters of a million dollars, give or take. If the LNC had a reasonable budget that, three-quarters of a million would only be a very modest part of the national committee budget over a four-year period. The discussion of fundraising I found, in terms of how fundraising was doing, was a discussion of the notion that an LNC member should be committed to raising or donating \$150 a month to the national party, though that amount is quite modest even relative to the current LNC budget.

Recall that the LNC passed a series of goals for the current LNC cycle. These goals were:

1. 1000 candidates in 2016
2. Take action to see that each state has an operational affiliate by June 1, 2015
3. 300 candidates by 2016 trained in "Who's Driving" or something equivalent
4. Updated issue-based outreach literature
5. 38-state, party-status ballot access as of December 1, 2016
6. 200 elected Libertarian officials in December, 2016

Mechanisms for attaining these goals were not discussed in great detail prior to adopting them. The LNC discussing what sort of topics ought to go on outreach literature, so that we reach out on topics in which at least some people are interested.

Candidate Training

The LNC and staff have decided to revive the in person candidate training scheme of Success 99, and related events, as a way to improving how many candidates we have on the ballot who do something. The first event will be in San Francisco in February

Sell The Nomination

On notes of the different, one State chair proposed, apparently seriously, that we should consider selling our party presidential ballot line to Donald Trump for some reasonable fee. It is not clear there is a legal path to carry out this process. Many libertarians would suggest that Mr. Trump is not by most sane standards a libertarian, so that running him as our presidential candidate would have negative consequences for the future of our party. Nonetheless one State chair did make that proposal.

Real Politics

Interesting article on how divided our country is:
<http://www.politico.com/story/2015/12/democrats-republicans-red-blue-country-agenda-217051>

The author correctly proposes: Other parties are not disagreeing about stands on an issue; they are in complete disagreement as to what the issues are.

cf. Potter "The Impending Crisis" and the relative importance of Unionism and slavery as core issues in the 1850s. That's handled poorly in most modern histories, which critique the political parties for not having a clear stand on slavery, when their position a fair part of the time was that the major issue was preserving the country, not having a stand on slavery.

Beware Young Americans (allegedly) for Liberty

The YAL sounds like a libertarian youth group that could be used to bring together young libertarians. Beware! It is a Republican front! It raises money through its associated PAC...that money all goes to support Republicans.

<http://www.usnews.com/news/articles/2014/02/21/young-libertarians-aim-to-be-players-in-2014-elections>

You will regularly encounter Libertarians saying we should not work on creating a young libertarians group because we are working with the Young Americans for Liberty. These people have either been duped by the Republicans or are working against the interests of the party.

We need Young Libertarian groups. That's *not* college groups. They mostly die every few years when their founders leave. We need young Libertarian groups that unite under-30 libertarians, and that separately unite High School libertarians, to support the Libertarian party.

The Free State Project is a Failure

Many years ago, the Free State Project was organized to persuade substantial numbers of libertarians and similar liberty-loving people to move to New Hampshire and create a free state. The idea was much similar to that carried out by the socialists 40 years ago, when large numbers of young socialists moved to Vermont to advance democratic socialist ideas in one state. Your editor spent a significant amount of

time and energy generating supporting information used by the Libertarian Party of New Hampshire, as part of the program to encourage the Free State Project to choose New Hampshire as their state.

Unfortunately, while thousands of supporters of the project moved to New Hampshire, our Libertarian Party in New Hampshire has received no benefit from the project's presence. Their state conventions in recent years have been no bigger than before. Their ballot access situation has been just as challenging. Project supporters do not run as Libertarians to support the Libertarian objectives. They run as Democrats and Republicans.

The final sign of failure was seen at the Connecticut state convention in Fall 2015. A representative of the Project appeared to make an appeal to Connecticut state party members. He assured Connecticut libertarians that all they had to do was to drop one platform plank, and large numbers of people would be suddenly be supporting the libertarian cause. Readers will not be surprised to learn that the platform plank that we were called on to drop was the antithesis of the holy of holies of the Republican extremist right, namely our platform plank in support of woman's right to choose. I did respond. When there was discussion I invoked a catchphrase that I usually do not support: I said that it is a libertarian principle that people own their own bodies, for various meanings of "own". In your Editor's opinion, we fought the War of the Slaveholder's Rebellion to settle that people are not property. I said: "What you are saying, as a representative of the Free State Project, is that women should own their own bodies, except for the feminine parts: They belong to the government. That's not libertarian, and it's not free." Returning to our original claim, the Free State Project has become a recruiting scheme for the Republican right extremists, not a scheme for building a stronger Libertarian Party. Relative to its original direction, the Free State Project is a complete failure.

Report of the 2014/2016 Libertarian Party Audit Committee 14 November 2015

EXECUTIVE SUMMARY

We will attach the full report and staff rejoinder as separate documents. There appears to be less than ideal supervision of staff by Officers and ExComm.

Article 10.2 of our bylaws requires that our financial statements conform to Generally Accepted Accounting Principles (GAAP).

In addition, we are subject to reporting requirements by the Federal Elections Commission (FEC). The LNC has adopted policies and executed contracts to optimally control and manage the affairs, properties and funds of the Party. To meet all these obligations, staff are required to follow procedures and account for transactions correctly. The Audit Committee has found a number of violations of the Party's bylaws and LNC policies. Most but not all of the specific problems fall

into one or more of the categories enumerated below.

1) Issue: Management bonuses for 2014 were overpaid by \$11,732. Of that amount, \$4,732 has been repaid. Mr. Benedict owes the Party \$4,000 and Ms. Howell owes the Party \$3,000.

Recommendation: \$4,000 should be deducted from Mr. Benedict's pay and \$3,000 should be deducted from Ms. Howell's pay.

2) Issue: When the Audit Committee pointed out the need to repay the \$11,732 of unearned 2014 bonuses, Mr. Kraus changed the accounting treatment of the Shaber bequest in a manner that would allow management to keep most of the 2014 bonus overpayments while telling the LNC that the bonuses had been repaid.

Recommendation: The financial statements audited by our outside CPA firm correctly record the Shaber bequest revenue in 2014. Staff changed the accounting in QuickBooks to incorrectly record the Shaber bequest revenue in 2015. QuickBooks should be brought into conformance with the audited financial statements and GAAP by moving the Shaber bequest back to 2014, as was originally agreed upon.

3) Issue: The Party paid \$8,186 of the Executive Director's relocation expenses, which was not authorized by his employment contract, by the employee handbook, or by the LNC. At most, then Chair Neale could have authorized up to \$329 from his discretionary fund because \$4,671 of his \$5,000 allotment for the term was spent on other expenditures. Hence, Mr. Benedict owes the Party at least \$7,857 and arguably \$8,186 (not including the \$4,000 owed for overpayment of bonuses).

Recommendations: Assume that the Chair had the authority to authorize \$329 of employee moving expenses from the Chair's discretionary fund. \$7,857 (not including the \$4,000 owed for overpayment of bonuses) should be deducted from Mr. Benedict's pay. Amend the standing rule concerning the Chair's discretionary fund to exclude using it for staff compensation.

4) Issue: Payroll/Overhead expenses cannot be allocated correctly on our 2014 financial statements due to staff's failure to comply with the time sheet policy adopted by the LNC in 2013.

Recommendations: Additional oversight should be provided to ensure LNC policies are faithfully executed.

5) Issue: Numerous other policy violations were noted in a review of staff time sheets, including granting vacation time/pay in excess of the generous policies in the employee handbook, abuses of compensatory time which frequently result in employees being absent from the office on standard workdays, overpaid holiday pay, employees not clocking out for lunch breaks, granting of additional substantive employee benefits not authorized in the employee manual, and employees not adhering to the standard work schedule listed in the employee manual.

Recommendations: Additional oversight should be provided to ensure LNC policies are faithfully executed. The Employment Policy and compensation Committee should review vacation, sick time and other benefits to determine whether they are in line with industry standards.

6) Issue: The Party incurred close to \$40,000 of debt for equipment acquisitions, in violation of the Party's bylaws and LNC policies. The Audit Committee does not know whether or not any officer or officers knew of these unauthorized purchases before they occurred.

Recommendations: Consider formal discipline of employees who encumbered the Party with unauthorized debt in violation of the Party's bylaws and LNC policies. Determine whether or not any Party officers were aware of these unauthorized purchases before they occurred.

7) Issue: Confidential.