

Liberty for America

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Post-election Issue

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Some Debts from Johnson's 2012 Campaign Are Paid

Payment seemingly came from 2016 campaign funds

Previously, the Federal Election Commission had determined that the Federal government had paid Gary Johnson's 2012 campaign \$333,874.75, to which the campaign was not actually entitled, in campaign matching funds. The Federal government demanded its money back.

On November 15, 2016, the Federal government acknowledged receipt
http://www.fec.gov/audits/2012/Gary_Johnson_2012_Inc/Johnson2012RepaymentDocuments.pdf
of a check for \$333,874.75 paying off the debt. The check, dated November 9, was transmitted by DB Capitol Strategies of Alexandria, Virginia. The check image has been partially redacted; you can't tell who wrote or signed the check.

Where did the money come from? For some connectable dots, we thank IndependentPolitical Report.com and commenter Just Saying: While we do not know from where the money came, it is an interesting fact that on November 3, 2016 the Johnson 2016 Campaign paid \$345,124 for legal fees to DB Capitol Strategies. A week later, on November 10, DB Capitol Strategies sent the Federal Election Commission the check for \$333,874.75 to cover Johnson's 2012 repayment obligations.

\$345,124 happens to be more than thirty times larger than any other payment made by the Johnson campaign to DB Capitol Strategies during this election cycle. According to the FEC filings, the other post-nomination payments from the campaign to DB Capitol Strategies were for \$2000, \$1406, \$9500, and \$11,500, the last of these being made the same day that the \$345,124 was paid.

Noting the coincidence, a reasonable man might suspect that the Johnson campaign apparatus effectively used Johnson/Weld 2016 campaign funds, as passed near DB Capitol Strategies, to pay Johnson/Gray 2012 campaign debts.

This newsletter had previously noted that the Johnson 2012 and Johnson 2016 campaigns are legally separate, and therefore Johnson 2012 debtors could not usefully sue the 2016 campaign to recover their losses. We had also previously heard assertions that the Johnson/Weld campaign had promised the LNC that Johnson/Weld 2016 would not use its funds to pay off Johnson/Gray 2012 campaign debts.

Republican Front

Our friends in the New Hampshire Libertarian Party tell us of a front group “LibertyBallot.com” that appears to be libertarian but actually serves as an anti-Libertarian Party site. They appear to claim that Republicans are pro-liberty.

5% stuff

We are in receipt of an email from the Johnson campaign claiming “If we get 5% of the popular vote, the Libertarian Party will have automatic ballot placement for future elections...” Of course, Johnson did not get 5% of the vote. On the other hand, the blanket claim about automatic ballot placement is almost completely false. It is hard to see how anyone who knew anything about ballot access could make this claim. Some Libertarians believe that honesty should be a part of the political process.

LNC meets

The LNC met on December 10-11, 2016. They acted on a budget. They bounced without votes proposals for an active LNC committee for membership retention and an active LNC committee for Affinity Group Support. The sponsor of the proposals is a good guy, who saw rejection in the making and did not advance proposals that were likely to lose.

The LNC approved a proposal for improved polling. The proposal was based on claims that simply are not true, in particular:

WHEREAS, various political polls have been shown to exclude key demographics from their results and these exclusions unfairly skew these results which are provided to the public;

That claim is based on a misreading of a CNN poll, which stated specifically that all demographic groups would be included appropriately in their analysis, but that they would not report the detailed polls for subgroups that were too small. The resolution claims that the small groups were removed from the polling, which is completely false.

The LNC is spending \$100,000 on paying down their building loan. During the 2016 campaign the building became a bit cramped, even though a substantial number of the people who the LNC is paying work in remote locations.

There was discussion not during the business session of potential 2020 Presidential candidates. Three names were floated: Arvin Vohra and Larry Sharpe are more familiar. It was observed that Nick Sarwark would perhaps not be our candidate if he were National Chair, but we understand that he is perhaps not going to run for Chair again, leaving open the suggestion that he may be considering a Presidential run.

Johnson 2016 and Friends Campaign Spending for the period October 20 to November 28, 2016

The Johnson 2016 committee began the reporting period with \$1,159,859 cash on hand. It had total receipts for the period of \$402,586, spent \$1,165,628, and closed the period with \$396,816 cash on hand. For the campaign cycle, the campaign brought in an unprecedented \$11,100,828 in contributions.

The Johnson Victory Fund committee began the reporting period with \$408,424 cash on hand. It had

total receipts for the period of \$207,592, spent \$310,435, and closed the period with \$305,582 cash on hand. For the campaign cycle, the fund brought in \$2,728,039 in contributions.

Readers will note that the campaign is now post-election with \$700,000 cash on hand. That's a lot of cash that cannot be spent on campaigning. How will it be spent?

Where did the money go?

For the Campaign Committee, \$426,218 went for advertising, notably to Evan Twede LLC. DB Capital Strategies received \$ 356,624 for legal fees. \$ 323,652 went to campaign consultants, some of whom we can identify as regional and other volunteer coordinators. Fundraising fees came to \$22,337. \$6567 can be said to correspond to office-like costs, such as postage and internet. Daniel Thompson received \$5300 for video production.

For the Victory Fund Committee, Threadbird Printing received \$96,825 for promotional items. \$50,000 went to ROARDA SA DE CV of Mexico City, Mexico for video production. Signwise received \$37,879 for printing and disposal fees. Facebook and Google received \$29,786 for online advertising, supported by \$21,758 to AdRoll for Online Advertising Services. Joe Hunter received \$26,500 for Communication Strategy Consulting Services. Money processing costs came to \$4068. DB Capitol Strategies received \$1000 for legal and compliance consulting.

Avondale Finance received \$2000 as a Fundraising Consulting Retainer. This is a Boston firm said to have connections to our Vice Presidential candidate. Other Fundraising consulting included \$11,053 to IVC Media, \$6483 to National Political Strategies, and \$4914 to Nathan Grabau.

Readers will note that no payments seemed to go directly to the campaign manager and company. Surely we would not want good libertarians to starve to death? Fortunately, at least when I ran for Congress some years ago, it was normal and customary that campaign ads placed by advertising houses included a 15% commission that went to the campaign management firm, so alarm over this issue can remain subdued.

LSLA Notes

There have been a series of seriously bizarre technical difficulties with the LSLA web site revival, but if you advance to LibertarianLeaders.org there is now a placeholder up. The LP History site is also advancing, though there has been a complication with the MediaWiki installation.

Wanted: Contact Lists

In support of the Libertarian State Leadership Alliance, I am assembling lists of contacts (names, addresses, etc.) of people who might be interested in supporting the libertarian political movement. Please send information to phillies@4liberty.net. Please note any legal restrictions on the use of the names, which will not be made available to other persons for non-political purposes.