

CREW

citizens for responsibility
and ethics in washington

November 23, 2015

Channing D. Phillips
United States Attorney for the District of Columbia
United States Attorney's Office
555 4th Street, NW
Washington, DC 20530

Re: Request for Investigation of Scott W. Reed, Wayne Berman, Michael H. Mihalke,
and William B. Canfield III

Dear Mr. Phillips:

Citizens for Responsibility and Ethics in Washington ("CREW") respectfully requests that the United States Attorney for the District of Columbia investigate whether Scott W. Reed, Wayne Berman, and/or William B. Canfield III, officers, vendors, and/or consultants for the Commission on Hope, Growth and Opportunity ("CHGO"), violated federal law by making false statements to the Federal Election Commission ("FEC") and the Internal Revenue Service ("IRS"), and by obstructing an FEC investigation. CREW further requests the United States Attorney for the District of Columbia investigate whether Reed, Berman, and/or Michael H. Mihalke violated District of Columbia law by distributing to themselves \$1.1 million in excess funds CHGO had provided to a vendor to purchase air time to broadcast television advertisements.

Introduction

CHGO produced and broadcast millions of dollars of television advertisements that ran in 2010 races for the U.S. House of Representatives, but failed to report any of the advertisements to the FEC or register as a political committee, as required by law. In the course of the FEC's investigation of the matter, Reed, Canfield, and Berman – all experienced political operatives – told the FEC they had very limited roles with CHGO and could provide no information about the group's spending. Although several news reports from 2010 named Reed as CHGO's founder, when interviewed by the FEC, Reed initially asserted he could not recall forming CHGO or having any contact with anyone involved with CHGO after its formation. When pressed, Reed admitted only that he had been involved in discussions on the strategic placements of television ads for CHGO but could not recall any details of those discussions. Canfield claimed his role was limited to legal compliance, and Berman said he only provided limited and unpaid fundraising assistance.

Other witnesses, however, asserted that Reed and Canfield were significantly more involved in CHGO's operations than they claimed and that Berman was paid for his fundraising efforts. One such witness was Mihalke, who was the principal at the vendor that produced and arranged to broadcast CHGO's advertisements and who told FEC investigators that Reed and

Canfield approved the content, production, and placement of all the ads. Mihalke also told the FEC that after he reported to Reed that there was \$1.1 million left over from CHGO's advertising buys, Reed told him that Reed, Mihalke, and Berman would split the money and it would be deemed a "fundraising commission." This statement further undercuts representations from Reed and Berman about their limited roles in CHGO. Statements from witnesses including Mihalke contradicting Reed, Canfield, and Berman's assertions strongly suggest they made false statements to the FEC which obstructed investigators' efforts to obtain material information about CHGO's political spending and finances.

The alleged \$1.1 million distribution also raises questions about whether Reed had the authority to distribute the excess funds to himself, Mihalke, and Berman, and whether any of them had the authority to appropriate that money. Furthermore, this potential misappropriation of money is linked to the potential false statements because it is difficult to reconcile the distribution of nearly \$367,000 each from the CHGO's excess funds to Reed and Berman with their claims of limited involvement with the group. That is, if Reed and Berman were in any way entitled to receive those large financial rewards from CHGO, then their assertions of limited and, in Berman's case, volunteer involvement would appear to be false. In addition, CHGO asserted on its tax returns, signed under penalty of perjury in 2010 by Canfield and in 2011 by CHGO President/Executive Director James S. Powell, that it did not spend any money on fundraising expenses. That statement seems to directly conflict with the alleged distribution of excess funds as a "fundraising commission." Canfield further represented on the 2010 tax return that CHGO did not spend any money on political activities, despite the millions of dollars it spent on the advertisements.

Accordingly, CREW requests that the U.S. Attorney immediately commence an investigation of these matters.

Factual Background

CHGO and Its Political Activities in 2010

CHGO was an unincorporated nonprofit association organized under section 501(c)(4) of the Internal Revenue Code and based in Washington, D.C.¹ According to the tax returns CHGO filed with the IRS, during its existence the group's only officers were Powell, its president/executive director, and Canfield, its general counsel.² According to CHGO's 2011 Form 990 tax return, the group terminated sometime in 2011.³

¹ CHGO, Articles of Association, March 31, 2010, attached to CHGO Form 1024, Application for Recognition Under Section 501(a) ("CHGO Form 1024") (excerpts attached as Exhibit A).

² CHGO 2010 Form 990, Part VII (excerpts attached as Exhibit B); CHGO 2011 Form 990, Part VII (excerpts attached as Exhibit C).

³ *Id.*, at 1, Line B.

During the 2010 election, CHGO produced and broadcast at least 18 television advertisements related to political candidates for the House of Representatives.⁴ On October 4, 2010, the Democratic Congressional Campaign Committee (“DCCC”) filed a complaint with the FEC alleging five advertisements of which it was aware were either independent expenditures (ads that can only be interpreted as expressly advocating voting for or against a candidate) or electioneering communications (ads broadcast close to an election that mention a candidate and are targeted to that candidate’s electorate) that CHGO should have reported to the FEC under federal campaign finance law, but did not.⁵ CREW filed a similar complaint on May 23, 2011 that identified 15 CHGO advertisements, and filed an amended complaint on April 26, 2012 further alleging CHGO was a political committee that should have registered with the FEC and filed reports disclosing its donors.⁶

The FEC notified Canfield of the DCCC complaint in an October 15, 2010 letter, and instructed CHGO to preserve records related to it.⁷ The FEC subsequently sent Canfield two additional letters with similar instructions.⁸ It does not appear, however, that Canfield sent any notice to CHGO’s officers, employees, or vendors to retain those records.⁹

CHGO and Canfield’s Representations to the IRS

CREW’s amended complaint was based in part on CHGO’s 2010 tax return, signed by Canfield under penalty of perjury.¹⁰ In that tax return, CHGO represented it did not engage in any political campaign activities on behalf of or in opposition to candidates for public office.¹¹ CHGO acknowledged, however, paying Meridian Strategies, LLC (“Meridian”), a company located in the District of Columbia, \$4,319,825 for “media placement,” \$275,000 for “media production,” and another \$105,175 for “advertising and technology.”¹² CHGO also represented it spent no money at all on fundraising expenses.¹³ CHGO’s 2011 tax return, the only other one

⁴ Federal Election Commission, MURs 6391 and 6471, Second General Counsel’s Report, July 28, 2015, at 2-3 (“Second FEC General Counsel’s Report”) (identifying 15 advertisements listed in CREW’s complaint), *available at* <http://eqs.fec.gov/eqsdocsMUR/15044380353.pdf>; Federal Election Commission, MURs 6391 and 6471, Third General Counsel’s Report, September 24, 2015, at 9 (“Third General Counsel’s Report”) (identifying three additional ads), *available at* <http://eqs.fec.gov/eqsdocsMUR/15044381224.pdf>.

⁵ Democratic Congressional Campaign Committee, MUR 6391, Complaint, October 4, 2010, *available at* <http://eqs.fec.gov/eqsdocsMUR/15044380002.pdf>.

⁶ CREW, Complaint, MUR 6471, May 23, 2011, *available at* <http://eqs.fec.gov/eqsdocsMUR/15044380186.pdf>; CREW, Amended Complaint, MUR 6471, April 26, 2012, *available at* <http://eqs.fec.gov/eqsdocsMUR/15044380263.pdf>.

⁷ Second FEC General Counsel’s Report at 4, n.9.

⁸ *Id.*; MURs 6391 and 6471, Statement of Reasons of Chair Ann M. Ravel and Commissioner Ellen L. Weintraub, November 5, 2015, at 4, n.18, *available at* <http://eqs.fec.gov/eqsdocsMUR/15044381188.pdf>.

⁹ Second FEC General Counsel’s Report at 6-7, n.20.

¹⁰ CHGO 2010 Form 990, Part II.

¹¹ *Id.*, Part IV, Line 3.

¹² *Id.*, Part VII, Section B, Line 1.

¹³ *Id.*, Part IX, Column D.

it filed, also represented the group did not engage in any political campaign activity and did not spend any money on fundraising expenses.¹⁴

Similarly, on its application to the IRS for tax-exempt status, also signed by Canfield under penalty of perjury, CHGO asserted it did not plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to federal, state, or local public office.¹⁵

Canfield, Reed, and Berman Tell FEC Investigators They Had Limited Roles With CHGO

In response to the DCCC and CREW complaints, the FEC's Office of General Counsel ("OGC") issued a report on December 27, 2013 recommending that the FEC find reason to believe CHGO violated the Federal Election Campaign Act ("FECA") by failing to report its spending on the 2010 advertisements and by not registering and reporting as a political committee.¹⁶ OGC further recommended an investigation to determine the extent, nature, and cost of CHGO's political activity and requested the use of compulsory process, including interrogatories and subpoenas.¹⁷ On September 16, 2014, the FEC voted 6-0 to find reason to believe CHGO violated the FECA by failing to report its spending on the 2010 advertisements, but after deadlocking 3-3 on whether there was reason to believe CHGO broke the law by failing to register as a political committee, decide to "take no action at this time" on this allegation.¹⁸

Following that decision, OGC began an investigation into CHGO's spending. The FEC first interviewed Canfield, a "[n]ationally recognized expert in federal and state campaign finance issues" with "[e]xtensive experience in the utilization of tax-exempt 501c4 tax-exempt [sic] committees for issue advocacy broadcast messages."¹⁹ According to OGC, Canfield "initially represented he had no relevant information or records concerning the advertisements at issue and did not know who would have the information."²⁰ Canfield also asserted the disbursements reported in CHGO's tax filings "accurately reflected the group's spending and activities" and said he "could not provide more detailed information."²¹ Subsequently, in response to an FEC order to submit answers to questions and a subpoena for documents,

¹⁴ CHGO 2011 Form 990, Part IV, Line 3; Part IX, Column D.

¹⁵ CHGO Form 1024, Part II, Line 15.

¹⁶ Federal Election Commission, MURs 6391 and 6471, First General Counsel's Report, December 27, 2013, at 40, available at <http://eqs.fec.gov/eqsdocsMUR/15044380072.pdf>. All of the documents made public by the FEC in these matters are available on the FEC website at <http://eqs.fec.gov/eqs/searcheqs>.

¹⁷ *Id.* at 40-41.

¹⁸ Federal Election Commission, MURs 6391 and 6471, Certification, September 16, 2014, available at <http://eqs.fec.gov/eqsdocsMUR/15044380114.pdf>.

¹⁹ LinkedIn profile, William Canfield, visited November 19, 2015 and available at <https://www.linkedin.com/in/william-canfield-13785027>.

²⁰ Second FEC General Counsel's Report at 4.

²¹ *Id.*; see also Third FEC General Counsel's Report at 3.

Canfield further represented “that his role at CHGO was limited to legal compliance” and that he did not “possess documents related to the funding, production, and placement” of CHGO’s ads.²²

The FEC next interviewed Powell. Powell, who was represented by Canfield during the interview, said that while he was listed as CHGO’s president in the group’s tax filings, “his role was limited to writing and producing the advertisements.”²³ Similarly, in his response to an FEC order to submit answers to questions and a subpoena for documents, Powell stated he was “‘the creative person’ responsible for the content of CHGO’s advertisements, but that he was not involved in the funding” and had “no documents related” to them.²⁴ In the interview, Powell explained that Mihalke, a principal at Meridian, was responsible for billing and invoicing the advertisements, but believed any relevant records would have been destroyed shortly after the ads aired.²⁵ When the FEC sought to interview Mihalke, his counsel informed OGC he would only answer questions pursuant to compulsory legal process.²⁶

The FEC’s investigation then turned to Reed. Reed is an experienced political adviser who served as campaign manager for the 1996 presidential campaign of Sen. Robert Dole and as executive director for the Republican National Committee, and currently is the Senior Political Strategist for the U.S. Chamber of Commerce.²⁷ In 2010, several news reports named Reed as CHGO’s founder, although he has never been identified on any public record related to the group.²⁸ The FEC interviewed Reed on July 7, 2015.²⁹ As OGC recounted, when it contacted Reed, “he indicated that his involvement with CHGO was limited,” saying:

Reed stated that he could not recall being involved in the formation of CHGO and could not recall having any contact with anyone involved with CHGO after its formation. When pressed, Reed stated that he had been involved in discussions on the strategic placements of television ads for CHGO but could recall no details of these discussions.³⁰

Reed further represented he had no documents relevant to the FEC’s investigation.³¹

²² Second FEC General Counsel’s Report at 6, n.20.

²³ Second FEC General Counsel’s Report at 5.

²⁴ *Id.* at 6, n.20.

²⁵ *Id.* at 5.

²⁶ Third FEC General Counsel’s Report at 4.

²⁷ U.S. Chamber of Commerce website, “Scott Reed” bio page, available at <https://www.uschamber.com/scott-reed>.

²⁸ Peter H. Stone, *Campaign Cash: The Independent Fundraising Gold Rush Since ‘Citizens United’ Ruling*, *Center for Public Integrity*, October 4, 2010, available at <http://www.publicintegrity.org/2010/10/04/2470/campaign-cash-independent-fundraising-gold-rush-citizens-united-ruling>; Brody Mullins and Danny Yadron, *GOP Groups Launch Massive Ad Blitz*, *Wall Street Journal*, October 13, 2010, available at <http://www.wsj.com/articles/SB20001424052748704164004575548451695013866>.

²⁹ Third FEC General Counsel’s Report at 5.

³⁰ *Id.*

³¹ Second FEC General Counsel’s Report at 7, n.23.

The FEC also contacted Berman, who Mihalke had identified in his June 26, 2015 written responses to the FEC's interrogatories and documents as a consultant for CHGO.³² Berman is "a highly regarded advisor on the management of political and legislative risk, government relations strategy, and both domestic and foreign policy" who has served in eight presidential political campaigns, including as vice presidential campaign director in Sen. Dole's campaign.³³ Like Reed, Berman has never been identified on any public record related to CHGO. According to OGC, Berman's counsel "stipulated that 'Berman only offered informal and infrequent fundraising advice strictly on a volunteer basis,'" did not engage in consulting work for CHGO, and had no role in creating, producing, or distributing CHGO's advertisements.³⁴ Berman's counsel also represented Berman had no records in his custody, possession, or control related to CHGO's advertising or expenditures.³⁵

Other Witness Accounts Conflict with Canfield, Reed, and Berman's Assertions

In the course of its investigation, the FEC learned Meridian used a subvendor, New Day Media Services ("New Day"), to purchase air time for the CHGO advertisements.³⁶ Bank records the FEC obtained from New Day showed Meridian paid New Day \$3.2 million for its services.³⁷ After obtaining this information, FEC investigators interviewed Mihalke, who asserted he was solely responsible for Meridian.³⁸

According to Mihalke, Meridian "served as exclusive vendor to CHGO and provided services to CHGO involving advertising management, production, and placement for television and print ads, and Internet marketing, general media, consulting, fundraising, and strategy."³⁹ Describing the relationship between CHGO and Meridian with regard to the television ads, Mihalke said the "CHGO board" provided him with "the targets" for the ads, then Meridian developed plans the ad buys and provided those plans to "the board."⁴⁰ It is not clear exactly who Mihalke meant by "the board," but CHGO's only officers were Canfield, who claimed his role was limited to "legal compliance," and Powell, who said he did nothing more than write and produce the ads.⁴¹

³² Third FEC General Counsel's Report at 10.

³³ Blackstone Group, "Wayne Berman" bio page, available at <https://www.blackstone.com/the-firm/overview/our-people/wayne-berman>.

³⁴ Third FEC General Counsel's Report at 10.

³⁵ *Id.*

³⁶ Third FEC General Counsel's Report at 6.

³⁷ *Id.* at 7.

³⁸ Second FEC General Counsel's Report at 7, n.21.

³⁹ Third FEC General Counsel's Report at 11.

⁴⁰ *Id.* at 12.

⁴¹ Other witnesses corroborated Powell's claim his only role was as "the creative person" responsible for the content of the ads. Third FEC General Counsel's Report at 9, 11 (statements by subvendors and Mihalke that Powell "supervised the media production work," "did most of the creative work," and "provided creative and copyright services").

Moreover, according to Mihalke, “Canfield and Reed approved the content, production, and placement of all CHGO-related television ads.”⁴² Reed, however, initially told the FEC he could not recall forming CHGO or having any contact with anyone involved with CHGO after its formation, and, when pressed, admitted only that he had been involved in discussions on the strategic placements of television ads for CHGO but could not recall any details of those discussions.

That Reed was more deeply involved in CHGO’s activities than he represented to the FEC also is suggested by the FEC’s interview with Kira Swencki, another Meridian subvendor who provided services related to the Internet and new media.⁴³ Among other things, Swencki said she created PowerPoint presentations for CHGO, sending “drafts of the PowerPoint presentations to Reed, who provided her with edits and instructions.”⁴⁴

In his interview, Mihalke also described a transaction with CHGO that appears to conflict with Reed and Berman’s accounts of their involvement with CHGO. The FEC, using New Day’s bank records and bank records Meridian provided to the FEC on the day of Mihalke’s interview, questioned Mihalke about the apparent discrepancy between the amount of money CHGO paid Meridian and the amount Meridian paid New Day to buy the air time.⁴⁵ In all, CHGO paid Meridian \$4.7 million, including \$4.3 million for media placement, according to its 2010 tax return. However, Meridian only paid New Day \$3.2 million for air time. In response,

Mihalke stated that approximately \$1.1 million of CHGO’s funds remained unused when its placement runs ended. Mihalke represented that, as ad placement proceeded, Meridian apprised CHGO of the amounts spent on ads. He said that, at the time, he told Reed of the unused CHGO funds. Mihalke said that Reed told him that the remaining funds would be evenly divided among Reed, Mihalke, and Wayne Berman to cover costs of fundraising, and that this would be deemed a “fundraising commission.” Mihalke explained that his portion of these remaining funds was intended to cover his costs of serving as the exclusive vendor for CHGO. Mihalke confirmed that his one-third allocation of the remainder of CHGO’s funds was not related to the approximately \$300,000 commission that he referred to earlier in the interview and were separate amounts that he received. Mihalke said that the conversation between Reed and Mihalke regarding the division of these funds occurred after the 2010 election and that the actual distribution occurred “sometime in the following year.”⁴⁶

As OGC noted, Mihalke’s description of the work Reed performed “appears at odds” with Reed’s “characterization of his role” at CHGO.⁴⁷ In particular, the award of nearly

⁴² *Id.* at 12.

⁴³ Third FEC General Counsel’s Report at 10-11.

⁴⁴ *Id.* at 11.

⁴⁵ Third FEC General Counsel’s Report at 13.

⁴⁶ *Id.* (emphasis added).

⁴⁷ Third FEC General Counsel’s Report at 13, n.48.

\$367,000 to Reed, possibly as a “fundraising commission,” appears to conflict with his representation of limited involvement, restricted only to strategic discussions of ad placement, or his inability to recall forming CHGO or having any contact with anyone involved with CHGO after its formation.

OGC further asserted that while the record remains unclear as to whether Berman in fact received compensation from CHGO through a distribution of unused advertising funds, if Berman did receive compensation for his work for CHGO, “then his statement that he acted only in a volunteer capacity would appear contradicted by the record.”⁴⁸

Mihalke’s account of the distribution of the \$1.1 million also appears to be in conflict with Canfield and Powell’s representations to the IRS on CHGO’s tax returns. In both its 2010 and 2011 Form 990 tax returns, CHGO asserted it spent no money at all on fundraising expenses. According to Mihalke, however, Reed said the share of the money provided to at least Berman was a “fundraising commission.” OGC’s description of Mihalke’s account is not fully clear, but it also appears Reed said his portion of the money was a “fundraising commission.”

Distribution of \$1.1 Million in CHGO Funds to Reed, Berman, and Mihalke

According to Mihalke, after he informed Reed about the \$1.1 million in unused funds previously paid to Meridian, Reed told him the remaining funds would be distributed among Reed, Berman, and Mihalke. The public record does not indicate if anyone authorized Reed to distribute the excess CHGO funds. Reed represented, however, his involvement with CHGO was limited and could not even recall forming CHGO or having any contact with anyone involved with the group after its formation. Reed also was not named on CHGO’s tax returns as an officer, employee, or independent contractor. Powell asserted that while he technically was president of the group, his role was limited to writing and producing the ads. Canfield, the other officer identified in CHGO’s tax returns, claimed his role was limited to legal compliance.

Potential Violations

False Statements

Federal law prohibits anyone from “knowingly and willfully” making “any materially false, fictitious, or fraudulent statement or representation” in any matter within the jurisdiction of the executive, legislative, or judicial branch.⁴⁹ Anyone who knowingly and willfully “falsifies, conceals or covers up by any trick, scheme, or device a material fact” or “makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent

⁴⁸ *Id.*

⁴⁹ 18 U.S.C. § 1001(a).

statement or entry” similarly violates Federal law.⁵⁰ Violations are punishable by up to five years in prison.⁵¹

CHGO’s officers and vendors made conflicting representations to the FEC about the degree of Reed, Berman, and Canfield’s involvement with CHGO. Reed initially asserted he could not recall forming CHGO or having any contact with anyone involved with CHGO after its formation, and, when pressed, admitted only that he had been involved in discussions on the strategic placements of television ads for CHGO but could not recall any details of those discussions. These assertions are undercut by Reed’s alleged receipt of nearly \$367,000 from CHGO’s unused funds, and by Mihalke’s statement that Reed told him how to allocate the \$1.1 million in unused funds. Reed’s representation further are contradicted by Mihalke’s statement that Reed (along with Canfield) approved the content, production, and placement of all CHGO-related television ads and Swencki’s statement that Reed edited her PowerPoint presentations and provided her with instructions.

Through his counsel, Berman represented to the FEC his fundraising advice to CHGO was offered “strictly on a volunteer basis.” This claim is contradicted by his alleged receipt of a nearly \$367,000 “fundraising commission” from CHGO’s unused funds.

Canfield represented to the FEC that his role was limited to legal compliance, and that he had no relevant information or records concerning the advertisements at issue and did not know who would have the information. These assertions are in conflict with Mihalke’s statement that Canfield (along with Reed) approved the content, production, and placement of all CHGO-related television ads.

The roles of Reed, Berman, and Canfield at CHGO were material facts in the FEC’s investigation. In its investigation, the FEC sought information to help establish the extent, nature, and cost CHGO’s political activity, both to ascertain all the advertisements CHGO potentially should have disclosed and to determine if CHGO was a political committee that should have registered with the FEC. If Reed and Canfield were deeply involved in CHGO’s activities, it is likely they would have had information about advertising buys material to the investigation. In addition, information relevant to the political committee determination included: public and non-public statements about the organization’s purposes and activities; public and non-public fundraising appeals; and the proportion of spending related to “federal campaign activity” compared to the proportion spent on “activities that [a]re not campaign related.”⁵² Again, if Reed, Berman, and Canfield were deeply involved in CHGO’s activities, it is likely they would have information material to these issues. Moreover, if Reed, Berman, and Canfield minimized and misrepresented their roles, doing so prevented the FEC from asking follow up questions relevant to the investigation from the individuals best positioned to answer

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² Federal Election Commission, Political Committee Status, Supplemental Explanation and Justification, 72 Fed. Reg. 5595, 5605 (Feb. 7, 2007).

those inquiries. Statements about their roles with CHGO, therefore, were material facts in the FEC's investigation. As a result, Reed, Berman, and Canfield appear to have violated 18 U.S.C. § 1001.

Canfield further appears to have violated 18 U.S.C. § 1001 by representing in CHGO's 2010 tax return that the organization spent no money on political activities. All six members of the FEC agreed there was reason to believe all of CHGO's advertisements were independent expenditures or electioneering communications that should have been disclosed to the FEC. While the FEC's determination is not binding on the IRS, under tax law and IRS authority, advertisement that explicitly advocate voting for or against a candidate or stop just short of doing so, like the ones CHGO produced and broadcast, are political activity and must be disclosed to the IRS. As a result, CHGO should have disclosed as political activity the money it spent on the 2010 advertisements.⁵³ Canfield's statements on CHGO's application for tax exempt status that CHGO had no plans to spend any money attempting to influence any elections similarly appear to be false. Canfield's apparent false statements on CHGO's 2010 tax return and application for tax exempt also may violate Internal Revenue Code prohibitions on providing incorrect information on tax returns and willfully making false statements on tax documents signed under penalty of perjury.⁵⁴

In addition, Mihalke asserted at least Berman's, and likely Reed's, portions of the unused funds were a "fundraising commission." On the tax return signed by Canfield, however, CHGO asserts it spent no money at all on fundraising expenses. As a result, these statements by Canfield also may constitute false statements under federal criminal and tax law.

Obstruction of Agency Proceedings

Federal law prohibits obstruction of agency proceedings. Specifically, anyone who "corruptly, or by threats or force, or by any threatening letter or communication influences, obstructs, or impedes or endeavors to influence, obstruct, or impede the due and proper administration of the law under which any pending proceeding is being had before any department or agency of the United States," violates the law.⁵⁵ "Corruptly" under this statute means, among other things, "acting with an improper purpose, personally or by influencing another."⁵⁶ Providing blatantly evasive answers in an agency investigation can constitute an obstruction under the statute, as can the failure to preserve or the destruction of documents sought in an investigation.⁵⁷ A proceeding is pending under the statute in a wide range of

⁵³ Rev. Rul. 2004-06; Rev. Rul. 2007-41.

⁵⁴ 26 U.S.C. §§ 6652, 7206.

⁵⁵ 18 U.S.C. § 1505.

⁵⁶ 18 U.S.C. § 1515(b).

⁵⁷ *United States v. Alo*, 439 F.2d 751, 754 (2d Cir. 1971); *United States v. Quattrone*, 441 F.3d 153, 175 (2d Cir. 2007);

circumstances, including preliminary agency investigations.⁵⁸ Violations of this statute are subject to up to five years imprisonment and a fine.⁵⁹

Reed, Berman, and Canfield appear to have obstructed the FEC's proceedings by making representations about their roles with CHGO that were, at best, blatantly evasive. In addition, the FEC notified Canfield in an October 15, 2010 letter to preserve CHGO's records related to its spending. If Canfield, Powell, Reed, or Berman destroyed or failed to preserve CHGO's documents following the FEC's notification, they further may have obstructed the FEC's proceedings.

Theft

District of Columbia criminal law provides that "a person commits the offense of theft if that person wrongfully obtains or uses the property of another with intent: (1) To deprive the other of a right to the property or a benefit of the property; or (2) To appropriate the property to his or her own use or to the use of a third person."⁶⁰ The term "wrongfully obtains or uses" means: "(1) taking or exercising control over property; (2) making an unauthorized use, disposition, or transfer of an interest in or possession of property; or (3) obtaining property by trick, false pretense, false token, tampering, or deception."⁶¹ Taking money or other property, including from one's employer, without authorization, can constitute theft.⁶² Theft of property worth \$1,000 or more constitutes first degree theft and is punishable by up to 10 years imprisonment and a fine.⁶³

According to Mihalke, approximately \$1.1 million of CHGO's funds that had been transferred to Meridian remained unused when the advertisements finished running. Mihalke said he informed CHGO of the amounts spent on ads as the placement proceeded, and told Reed about the unused funds. Mihalke further represented that after the 2010 election, Reed told him the remaining funds would be divided evenly between Reed, Mihalke, and Berman to cover the costs of fundraising, and that this would be deemed a "fundraising commission." The actual distribution, Mihalke added, took place sometime in 2011.

There is no evidence in the public record as to whether Reed had the authority to distribute the excess funds to himself, Mihalke, and Berman, or whether any of them had the authority to appropriate the money. While it is conceivable Reed had the authority to distribute

⁵⁸ See, e.g., *United States v. Perraud*, 672 F. Supp. 2d 1328, 1336-44 (S.D. Fla. 2009); *United States v. Stickle*, 355 F. Supp. 2d 1317, 1328 (S.D. Fla. 2004).

⁵⁹ 18 U.S.C. § 1505.

⁶⁰ D.C. Stat. 22-3211(b).

⁶¹ D.C. Stat. 22-3211(a). The statute's prohibitions include conduct previously known under District of Columbia law as larceny and embezzlement. *Id.*

⁶² *Johnson v. United States*, 613 A.2d 1381, 1388 (D.C. 1992) (upholding conviction of union president who wrongfully obtained union funds by making and cashing forged checks); *Van Buren Peery v. United States*, 849 A.2d 999, 1001 (D.C. 2004) (upholding conviction of attorney who used firm credit card for personal purchases without authority).

⁶³ D.C. Stat. 22-3212(a).

the money, he was not named as an officer of CHGO in its tax returns or application for tax-exempt status. Moreover, Reed asserted he had a limited role with the organization and could not even recall forming CHGO or having any contact with anyone involved with the group after its formation, and CHGO's tax returns represented the organization had no fundraising expenses. As a result, Reed may have committed theft by distributing CHGO's excess \$1.1 million to Berman, Mihalke, and himself, and by appropriating his portion of the funds.

It also is unknown if Berman or Mihalke had the authority to appropriate their shares of CHGO's funds allegedly distributed by Reed. Again, Berman represented he had a limited and voluntary role with CHGO, and the group's tax returns said it had no fundraising expenses. If Berman and Mihalke did not have the authority to appropriate their shares, they also may have committed theft.

Conclusion

CREW respectfully requests that the U.S. Attorney for the District of Columbia immediately commence an investigation into these matters. The FEC needed truthful information to investigate serious allegations of campaign finance violations by CHGO. Reed, Canfield, and Berman, however, appear to have made false statements that hindered the investigation, and may have further obstructed it by destroying or failing to retain relevant documents. False statements covering up potential wrongdoing undermines the administration of justice, and should not be allowed to go unpunished. Of equal concern are Canfield's apparent false statements to the IRS that also may have impeded the investigation and presented a deceptive picture of CHGO's activities. Further, the alleged distribution of CHGO's unused funds to Reed, Berman, and Mihalke raises serious questions meriting investigation. Vigorous enforcement is critical in this case, both to hold accountable those who may have obstructed a federal investigation and to deter others from concealing information critical to investigations of potential violations of our nation's campaign finance laws.

Sincerely,



Noah Bookbinder
Executive Director
Citizens for Responsibility and
Ethics in Washington

Encls.

cc: Raymond Hulser, Chief, Public Integrity Section, U.S. Department of Justice
Hon. John Koskinen, Commissioner, Internal Revenue Service

EXHIBIT A

17053203318020
**Application for Recognition of Exemption
Under Section 501(a)**

OMB No. 1545-0057

If exempt status is approved,
this application will be open
for public inspection.

Read the instructions for each Part carefully. **A User Fee must be attached to this application.**
If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to the organization.

Complete the Procedural Checklist on page 6 of the instructions.

Part I. Identification of Applicant (Must be completed by all applicants; also complete appropriate schedule.)
Submit only the schedule that applies to your organization. Do not submit blank schedules.

Check the appropriate box below to indicate the section under which the organization is applying:

- a ☐ Section 501(c)(2)—Title holding corporations (Schedule A, page 7)
b ☒ Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)
c ☐ Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 9)
d ☐ Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 9)
e ☐ Section 501(c)(7)—Social clubs (Schedule D, page 11)
f ☐ Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)
g ☐ Section 501(c)(9)—Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)
h ☐ Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident, or other benefits (Schedule E, page 13)
i ☐ Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)
j ☐ Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 16)
k ☐ Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)
l ☐ Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)
m ☐ Section 501(c)(19)—A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)
n ☐ Section 501(c)(25)—Title holding corporations or trusts (Schedule A, page 7)

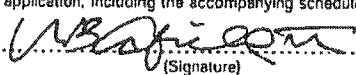
1a Full name of organization (as shown in organizing document) Commission on Hope, Growth and Opportunity		2 Employer identification number (EIN) (if none, see Specific Instructions on page 2) 27 : 1920168
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed William B. Canfield (202) 589-2651
1c Address (number and street) 1900 M street, N.W.	Room/Suite Suite 600	
1d City, town or post office, state, and ZIP + 4 If you have a foreign address, see Specific Instructions for Part I, page 2. Washington, D.C. 20036		
1e Web site address N/A	4 Month the annual accounting period ends December	5 Date incorporated or formed March 31, 2010
6 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach an explanation.		
7 Has the organization filed Federal income tax returns or exempt organization information returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		

- 8 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS, TO THE APPLICATION BEFORE MAILING.
- a ☐ Corporation— Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach a copy of the bylaws.
- b ☐ Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c ☒ Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

If this is a corporation or an unincorporated association that has not yet adopted bylaws, check here ☐

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization, and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

PLEASE
SIGN
HERE


(Signature)

William B. Canfield

(Type or print name and title or authority of signer)

03/31/10
(Date)

For Paperwork Reduction Act Notice, see page 5 of the instructions.

Cat. No. 12343K

17152010203001

SK

Part II. Activities and Operational Information (Must be completed by all applicants)

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

The Commission on Hope, Growth and Opportunity (the "Commission") is a public welfare organization created to advance the principle that sustained and expanding economic growth is central to America's economic future and the well-being of all Americans. The Commission believes and intends to inform the American public that economic expansion is necessary to America's economic future and that public policy makers must understand and make a commitment to this principle. The Commission will engage economists and other business experts to inform its understanding of the necessity for sustained economic growth and will bring the fruits of this expertise and research directly to the attention of decision makers at all levels of government. The Commission will communicate its public welfare message on the issue of sustained economic expansion to the public through all forms of mass communication, including, but not limited to, print advertising, cable television and radio messaging, as well as e-mail and direct mail communications. The Commission will share its research and findings with public policy formulators and will encourage its supporters to communicate their views on the issues of consequence to the Commission directly with policy makers at all levels of government. The Commission will seek the commitment of these policy makers to implement statutes, rules and regulations that are consistent with free-market principles and that adhere to economic growth and expansion.

- 2 List the organization's present and future sources of financial support, beginning with the largest source first.

Once operational, the Commission will seek voluntary donations from those American citizens, business entities and labor organizations that support the Commission's commitment to the sustained growth of the American economy. All such donations will be utilized by the Commission to communicate with the public and policy makers and to research the economic consequences of sustained economic growth in the formulation of public policy.

Part II. Activities and Operational Information (continued)

3 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
Steven Powell (President/Executive Director) 1310 Morning Glory Place, Vista, CA 92084	None
James Warring, CPA (Treasurer- Non Voting) #300, 16528 Emory Lane, Rockville, MD 20853	None
William B. Canfield (General Counsel) #500, 1900 M Street NW, Washington, DC 20036	None

4 If the organization is the outgrowth or continuation of any form of predecessor, state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.
N/A

5 If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).
N/A

6 If the organization has capital stock issued and outstanding, state: (1) class or classes of the stock; (2) number and par value of the shares; (3) consideration for which they were issued; and (4) if any dividends have been paid or whether your organization's creating instrument authorizes dividend payments on any class of capital stock.
N/A

7 State the qualifications necessary for membership in the organization; the classes of membership (with the number of members in each class); and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Attach sample copies of all types of membership certificates issued.
None

8 Explain how your organization's assets will be distributed on dissolution.
Upon dissolution, any assets remaining to the organization will either be refunded, pro-rata, to donors or will be donated to a tax-exempt charitable entity recognized by the Internal Revenue Service.

Part II. Activities and Operational Information (continued)

- 9 Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members? ☐ Yes ☒ No
If "Yes," state the full details, including: (1) amounts or value; (2) source of funds or property distributed or to be distributed; and (3) basis of, and authority for, distribution or planned distribution.
- 10 Does, or will, any part of your organization's receipts represent payments for services performed or to be performed? ☐ Yes ☒ No
If "Yes," state in detail the amount received and the character of the services performed or to be performed.
- 11 Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed? ☐ Yes ☒ No
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.
- 12 Does the organization have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions, or annuities)? ☐ Yes ☒ No
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.
- 13 Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? ☐ Yes ☒ No
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.
- 14 Does the organization now lease or does it plan to lease any property? ☐ Yes ☒ No
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement. (If the organization is a party, as a lessor, to multiple leases of rental real property under similar lease agreements, please attach a single representative copy of the leases.)
- 15 Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization? ☐ Yes ☒ No
If "Yes," explain in detail and list the amounts spent or to be spent in each case.
- 16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? ☐ Yes ☐ No
If "Yes," attach a recent copy of each.

COMMISSION ON HOPE, GROWTH AND OPPORTUNITY

ARTICLES OF ASSOCIATION

ARTICLE I

Name and Organization:

The name of this association is the Commission on Hope, Growth and Opportunity (the "Commission"). The Commission is designated an unincorporated nonprofit association created under the laws of the District of Columbia.

ARTICLE II

Intent and Purpose:

It is the intent of the Commission to become a public advocate for the continuing education of all American citizens concerning the importance of continued economic growth to America's economic future. The Commission consists of two or more individuals joined by mutual consent for the common, nonprofit purposes of educating the public on the necessity of sustained economic growth to the future well-being of the United States. The Commission may engage in any and all other public welfare activities permitted to an organization exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1986, amended, or corresponding future provisions of the federal tax law. To these ends, the Commission may do and engage in any and all lawful activities that may be incidental or reasonably necessary to any of these purposes, including but not limited to, the creation and utilization of a commercial bank account at a financial institution, and it shall have and may exercise all other powers and authority now or hereafter conferred upon unincorporated, nonprofit associations in the District of Columbia.

ARTICLE III

Office and Duration:

1. The office of the Commission shall be located at the address at which the Treasurer or General Counsel (or alternate title) has official residence; or at such place as the Commission may from time to time determine, or as the business of the Commission may require.
2. The duration of the Commission shall be perpetual.

3. The death, removal, or resignation of any officer, member or supporter of the Commission shall not result in the dissolution of the Commission.

ARTICLE IV

Structure and Membership:

The Commission's membership consists of individuals and groups dedicated to the sustainment, promotion and advancement of growth in the American economy, through public education and information development. Membership is open to anyone wishing to render support, guidance and encouragement to individuals wishing to learn about and advance the role of economic growth in the economy of the United States and in furthering a robust public policy debate and policy formulation regarding economic growth.

The Commission is a purely voluntary organization, and no membership fee or annual dues are required for membership.

The Commission does not discriminate on the basis of race, color, sex, age, religious affiliation, handicap, national origin, or other personal factor.

ARTICLE V

Association Leadership:

The Commission shall be governed by at least three (3) officers to be determined by the association. The name and total number of officer positions will be determined as the association requires, changeable as circumstances necessitate. One person will be designated as Chairman/ Executive Director, one person shall be designated as the Treasurer and one person shall be designated as the General Counsel. The Treasurer's position shall be a non-management position and the Treasurer will NOT be a voting member of the board of the organization. Two-thirds of the then-existing membership will constitute a quorum for the conduct of all Commission business. Officers may be elected annually by nomination and a majority vote of at least a quorum of the association

ARTICLE VI

Accounting and Records:

The fiscal year of the Coalition shall be January 1 through December 31 of each year.

All minute books, correspondence, and other records of the Commission shall be preserved by the Treasurer or his designee. Records that have ceased to be of use for

the conduct of the affairs of the Commission may be turned over for preservation to a depository designated by the Commission, or discarded.

ARTICLE VII

Dissolution:

In the event of the dissolution of the Commission, its property, funds, and other assets may be transferred to whatever organization or organizations operated exclusively for charitable, educational, and/or scientific purposes as the Commission may determine, provided such organization or organizations qualify as tax-exempt under the Internal Revenue Code of the United States.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Association on this 31st day of March, 2010.



STEVE POWELL 3/31/10

President/Executive Director

ATTEST:



WILLIAM B. CANFIELD III 3/31/10

General Counsel
Suite 600
1900 M Street, N.W.
Washington, D.C. 20036

EXHIBIT B

SCANNED DEC 21 2011

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2010

Open to Public Inspection

A For the **2010** calendar year, or tax year beginning

and ending

B Check if applicable:

- ☐ Address change
☐ Name change
☒ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization

COMMISSION ON HOPE, GROWTH & OPPORTUNITY

Doing Business As THE COMMISSION

Number and street (or P.O. box if mail is not delivered to street address)

1900 M STREET, NW

Room/suite

600

City or town, state or country, and ZIP + 4

WASHINGTON, DC 20036

F Name and address of principal officer: STEVEN POWELL

SAME AS C ABOVE

D Employer identification number

27-1920168

E Telephone number

202-530-3332

G Gross receipts \$ 4,801,000.

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ►

I Tax-exempt status: ☐ 501(c)(3) ☒ 501(c) (4) (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: WWW.HOPEGROWTHOPPORTUNITY.COM

K Form of organization: ☐ Corporation ☐ Trust ☒ Association ☐ Other ►

L Year of formation: 2010 **M** State of legal domicile: DC

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE COMMISSION BELIEVES AND INTENDS TO INFORM THE AMERICAN PUBLIC THAT ECONOMIC EXPANSION IS		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	0
	4	Number of independent voting members of the governing body (Part VI, line 1b)	0
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	0
	6	Total number of volunteers (estimate if necessary)	0
	Revenue	7a	Total unrelated business revenue from Part VIII, column (C), line 12
7b		Net unrelated business taxable income from Form 990-T, line 34	0.
Expenses	8	Contributions and grants (Part VIII, line 1h)	4,801,000.
	9	Program service revenue (Part VIII, line 2g)	0.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,801,000.
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-11j)	4,770,000.
Net Assets or Fund Balances	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,770,000.
	19	Revenue less expenses. Subtract line 18 from line 12	31,000.
	20	Total assets (Part X, line 16)	51,000.
	21	Total liabilities (Part X, line 26)	20,000.
22	Net assets or fund balances. Subtract line 21 from line 20	31,000.	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date
	WILLIAM B. CAMFIELD III GENERAL COUNSEL		11/14/11
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date
	JAMES D. WARRING, CPA	[Signature]	11/11/2011
Firm's name	Firm's address		Firm's EIN
	WARRING & COMPANY, LLC, CPAS 16528 EMORY LN, SUITE 300 ROCKVILLE, MD 20853-1228		301-260-0809

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

032001 02-22-11 LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2010)

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

WLB 15

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

☒ X**1** Briefly describe the organization's mission:

THE COMMISSION WILL SHARE ITS RESEARCH AND FINDINGS WITH PUBLIC POLICY FORMULATORS AND WILL ENCOURAGE ITS SUPPORTERS TO COMMUNICATE THEIR VIEWS ON THE ISSUES OF CONSEQUENCE TO THE COMMISSION DIRECTLY WITH POLICY MAKERS AT ALL LEVELS OF GOVERNMENT. THE COMMISSION WILL SEEK

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses.

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ 0. including grants of \$ 0.) (Revenue \$ 0.)
N/A

4b (Code: _____) (Expenses \$ 0. including grants of \$ 0.) (Revenue \$ 0.)
N/A

4c (Code: _____) (Expenses \$ 0. including grants of \$ 0.) (Revenue \$ 0.)
N/A

4d Other program services. (Describe in Schedule O.)

(Expenses \$ _____ Including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A		X
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI		X
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

[illegible]

[illegible]

3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3	X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	4	X
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	X

(A) Name and business address	(B) Description of services	(C) Compensation
MERIDIAN STRATEGIES, LLC, 400 7TH STREET, NW, SUITE 300, WASHINGTON, DC 20004	MEDIA PLACEMENT	4,319,825.
MERIDIAN STRATEGIES, LLC, 400 7TH STREET, NW, SUITE 300, WASHINGTON, DC 20004	MEDIA PRODUCTION	275,000.
MERIDIAN STRATEGIES, LLC, 400 7TH STREET, NW, SUITE 300, WASHINGTON, DC 20004	ADVERTISING & TECHNOLOGY	105,175.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 3

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 8b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management	20,000.		20,000.	
b Legal	50,000.		50,000.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	55,000.		55,000.	
12 Advertising and promotion				
13 Office expenses				
14 Information technology	20,000.		20,000.	
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a MEDIA PLACEMENT	4,319,825.		4,319,825.	
b MEDIA PRODUCTION	275,000.		275,000.	
c WEBSITE MAINTENANCE	25,000.		25,000.	
d ECONOMIC RESEARCH	5,000.		5,000.	
e COPYRIGHT FEES	175.		175.	
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	4,770,000.	0.	4,770,000.	0.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

EXHIBIT C

Form 990 Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements.	OMB No. 1545-0047 <div style="font-size: 2em; font-weight: bold;">2011</div> Open to Public Inspection
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A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input checked="" type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">C Name of organization COMMISSION ON HOPE GROWTH & OPPORTUNITY</td> </tr> <tr> <td colspan="2">Doing Business As THE COMMISSION</td> </tr> <tr> <td>Number and street (or P.O. box if mail is not delivered to street address) 1900 M STREET NW NO 600</td> <td>Room/suite</td> </tr> <tr> <td colspan="2">City or town, state or country, and ZIP + 4 WASHINGTON, DC 20036</td> </tr> </table> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">F Name and address of principal officer: J STEPHEN POWELL 1900 M STREET NW WASHINGTON, DC 20036</td> </tr> </table>	C Name of organization COMMISSION ON HOPE GROWTH & OPPORTUNITY		Doing Business As THE COMMISSION		Number and street (or P.O. box if mail is not delivered to street address) 1900 M STREET NW NO 600	Room/suite	City or town, state or country, and ZIP + 4 WASHINGTON, DC 20036		F Name and address of principal officer: J STEPHEN POWELL 1900 M STREET NW WASHINGTON, DC 20036		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>D Employer identification number 27-1920168</td> </tr> <tr> <td>E Telephone number (202) 530-3332</td> </tr> <tr> <td>G Gross receipts \$ 0</td> </tr> </table> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td>H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)</td> </tr> <tr> <td>H(c) Group exemption number ▶</td> </tr> </table>	D Employer identification number 27-1920168	E Telephone number (202) 530-3332	G Gross receipts \$ 0	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	H(c) Group exemption number ▶
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D Employer identification number 27-1920168																		
E Telephone number (202) 530-3332																		
G Gross receipts \$ 0																		
H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																		
H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)																		
H(c) Group exemption number ▶																		
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (4) ◀ (Insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527																		
J Website: ▶ WWW.HOPEGROWTHOPPORTUNITY.COM																		

K Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input checked="" type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation: 2010	M State of legal domicile: DC
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Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE COMMISSION BELIEVES AND INTENDS TO INFORM THE AMERICAN PUBLIC THAT ECONOMIC EXPANSION IS NECESSARY TO AMERICA'S ECONOMIC FUTURE AND THAT PUBLIC POLICY MAKERS MUST UNDERSTAND AND MAKE A COMMITMENT TO THIS PRINCIPLE. THE COMMISSION WILL ENGAGE ECONOMIST'S AND OTHER BUSINESS EXPERTS TO INFORM ITS UNDERSTANDING OF THE NECESSITY FOR SUSTAINED ECONOMIC GROWTH AND WILL BRING THE FRUITS OF THIS EXPERTISE AND RESEARCH DIRECTLY TO THE ATTENTION OF DECISION MAKERS AT ALL LEVELS OF GOVERNMENT. THE COMMISSION WILL COMMUNICATE ITS PUBLIC WELFARE MESSAGE ON THE ISSUE OF SUSTAINED ECONOMIC EXPANSION TO THE PUBLIC THROUGH ALL FORMS OF MASS COMMUNICATION, INCLUDING, BUT NOT LIMITED TO, PRINT, ADVERTISING, CABLE TELEVISION AND RADIO MESSAGING, AS WELL AS E-MAIL AND DIRECT MAIL COMMUNICATIONS.																																					
	2 Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.																																					
	3 Number of voting members of the governing body (Part VI, line 1a)	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">3</td> <td style="width:90%; text-align: right;">0</td> </tr> </table>	3	0																																		
3	0																																					
	4 Number of independent voting members of the governing body (Part VI, line 1b)	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">4</td> <td style="width:90%; text-align: right;">0</td> </tr> </table>	4	0																																		
4	0																																					
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">5</td> <td style="width:90%; text-align: right;">0</td> </tr> </table>	5	0																																		
5	0																																					
	6 Total number of volunteers (estimate if necessary)	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">6</td> <td style="width:90%; text-align: right;">0</td> </tr> </table>	6	0																																		
6	0																																					
	7a Total unrelated business revenue from Part VIII, column (C), line 12	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">7a</td> <td style="width:90%; text-align: right;">0</td> </tr> </table>	7a	0																																		
7a	0																																					
	b Net unrelated business taxable income from Form 990-T, line 34	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%;">7b</td> <td style="width:90%; text-align: right;">0</td> </tr> </table>	7b	0																																		
7b	0																																					
Revenue	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:5%;"></th> <th style="width:60%;"></th> <th style="width:10%; text-align: center;">Prior Year</th> <th style="width:25%; text-align: center;">Current Year</th> </tr> <tr> <td>8</td> <td>Contributions and grants (Part VIII, line 1h)</td> <td style="text-align: right;">4,801,000</td> <td style="text-align: right;">0</td> </tr> <tr> <td>9</td> <td>Program service revenue (Part VIII, line 2g)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>10</td> <td>Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>11</td> <td>Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>12</td> <td>Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td> <td style="text-align: right;">4,801,000</td> <td style="text-align: right;">0</td> </tr> </table>			Prior Year	Current Year	8	Contributions and grants (Part VIII, line 1h)	4,801,000	0	9	Program service revenue (Part VIII, line 2g)	0	0	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,801,000	0													
		Prior Year	Current Year																																			
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12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,801,000	0																																			
Expenses	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:5%;"></th> <th style="width:60%;"></th> <th style="width:10%; text-align: center;">Prior Year</th> <th style="width:25%; text-align: center;">Current Year</th> </tr> <tr> <td>13</td> <td>Grants and similar amounts paid (Part IX, column (A), lines 1–3)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>14</td> <td>Benefits paid to or for members (Part IX, column (A), line 4)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>15</td> <td>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>16a</td> <td>Professional fundraising fees (Part IX, column (A), line 11e)</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>b</td> <td>Total fundraising expenses (Part IX, column (D), line 25) ▶ 0</td> <td></td> <td></td> </tr> <tr> <td>17</td> <td>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)</td> <td style="text-align: right;">4,770,000</td> <td style="text-align: right;">31,000</td> </tr> <tr> <td>18</td> <td>Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)</td> <td style="text-align: right;">4,770,000</td> <td style="text-align: right;">31,000</td> </tr> <tr> <td>19</td> <td>Revenue less expenses. Subtract line 18 from line 12</td> <td style="text-align: right;">31,000</td> <td style="text-align: right;">-31,000</td> </tr> </table>			Prior Year	Current Year	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0			17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	4,770,000	31,000	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	4,770,000	31,000	19	Revenue less expenses. Subtract line 18 from line 12	31,000	-31,000	
		Prior Year	Current Year																																			
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14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0																																			
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0																																			
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0																																			
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Beginning of Current Year	End of Year																																					

Net Assets or Fund Balances	20	Total assets (Part X, line 16)	51,000	0
	21	Total liabilities (Part X, line 26)	20,000	0
	22	Net assets or fund balances. Subtract line 21 from line 20	31,000	0

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	*****		2012-05-04	
	Signature of officer		Date	
Paid preparer use only	J STEPHEN POWELL PRESIDENT / EXECUTIVE DIRECTOR			
	Type or print name and title.			
	Print/type preparer's name	Preparer's signature JAMES D WARRING CPA	Date	Check <input type="checkbox"/> if self-employed PTIN P00173611
	Firm's name ▶ WARRING & COMPANY LLC CPAS	Firm's EIN ▶ 51-0608962		
	Firm's address ▶ 11 NORTH WASHINGTON ST SUITE 720 ROCKVILLE, MD 20850		Phone no. (301) 260-0809	

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form 990 (2011)

Form 990 (2011)

Page **2****Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III ☒**1** Briefly describe the organization's mission:

THE COMMISSION WILL SHARE ITS RESEARCH AND FINDINGS WITH PUBLIC POLICY FORMULATORS AND WILL ENCOURAGE ITS SUPPORTERS TO COMMUNICATE THEIR VIEWS ON THE ISSUES OF CONSEQUENCE TO THE COMMISSION DIRECTLY WITH POLICY MAKERS AT ALL LEVELS OF GOVERNMENT. THE COMMISSION WILL SEEK THE COMMITMENT OF THESE POLICY MAKERS TO IMPLEMENT STATUTES, RULES AND REGULATIONS THAT ARE CONSISTENT WITH FREE-MARKET PRINCIPLES AND THAT ADHERE ECONOMIC GROWTH AND EXPANSION.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a	(Code:) (Expenses \$)	including grants of \$	(Revenue \$)
	N/A		
4b	(Code:) (Expenses \$)	including grants of \$	(Revenue \$)
	N/A		
4c	(Code:) (Expenses \$)	including grants of \$	(Revenue \$)
	N/A		
4d	Other program services (Describe in Schedule O.)		
	(Expenses \$)	including grants of \$	(Revenue \$)
4e	Total program service expenses \$		

Form **990** (2011)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	No
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2	No
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable:		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	11a	No
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	11e	No
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Part II	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Part III	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements.	20b	

Form 990 (2011)

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee.

[illegible]

Form 990 (2011)

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX. ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management	15,000		15,000	
b Legal	2,922		2,922	
c Accounting	3,048		3,048	
d Lobbying				
e Professional fundraising. See Part IV, line 17				
f Investment management fees				
g Other	5,000		5,000	
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a WEBSITE MAINTENANCE	5,000		5,000	
b BANK FEES	30		30	
c				
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f	31,000	0	31,000	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> If following SOP 98-2 (ASC 958-720).				