

THE HSUS LOBBYING "PUPPETEERS"

ISSUE: HAS THE HUMANE SOCIETY OF THE U.S. (HSUS) AND MR. PACELLE, THE "DUAL-HATTED" HEAD "PUPPETEER" OF THE HSUS, WHO ALSO SERVES AS THE EXECUTIVE VICE PRESIDENT OF THE HUMANE SOCIETY LEGISLATIVE FUND (HSLF), FAILED TO COMPLY WITH THE U.S. TAX CODE THAT EXPRESSLY PROHIBITS "TOO MUCH LOBBYING" BY A 501 (C) (3), TAX-EXEMPT PUBLIC CHARITY, AND THAT ALSO PROHIBITS A 501 (C) (3), TAX-EXEMPT, PUBLIC CHARITY FROM PUBLICLY SUPPORTING OR OPPOSING ANY INDIVIDUAL SEEKING PUBLIC OFFICE???????

FACT 1: Shortly after Mr. Pacelle became the President and CEO of the HSUS in 2004, he founded the Humane Society Legislative Fund (HSLF), which he self-described as the "Lobbying Arm" of the HSUS, and Mr. Pacelle has continuously served as its Executive Vice President.

FACT 2: Prior to becoming the President and CEO of the HSUS, Mr. Pacelle served as the "Chief Lobbyist" for the HSUS, and he was formally listed as a "Lobbyist" for the HSUS up until August of 2006 when the HSUS terminated its Registration as a "Lobbying Organization" with the Clerk of the U.S. House and the Secretary of the U.S. Senate. However, the HSLF was never registered as a "Lobbying Organization" until February 29, 2012 - - Seven months after Frank Losey filed a formal Complaint with the U.S. Attorney for the District of Columbia that documented that the HSUS has been in violation of the Lobbying Disclosure Act of 1995 since August of 2006, and that the HSLF was in violation of the Lobbying Disclosure Act from 2004 until February 29, 2012 because it had never been registered as a "Lobbying Organization," during that period of time, despite the repeated representations that it was the "Lobbying Arm" of the HSUS.

FACT 3: At least 12 Members of Congress have either contacted the IRS, or the Department of the Treasury or the Department of Justice and expressed concerns about whether the HSUS is violating the U.S. Tax Code or the Lobbying Disclosure Act. (Senator Coats and Senator Shelby contacted the Justice Department in September concerning the HSUS and the Lobbying Disclosure Act.)

QUESTION 1: Has the HSUS "used" the HSLF as a charade "umbrella" to mask the excessive lobbying activities of the HSUS and the prohibited political campaign activities of the HSUS by supporting or opposing political candidates, such as Iowa Congressman King, who Mr. Pacelle publicly disparaged by stating that Congressman King "gives new meaning to the term of "backward thinking?????"

NOTE: THE HSLF has already contributed OVER \$750,000 - - AND STILL COUNTING!!!!!! - - to the political campaign activities that are singularly focused on the HSUS goal to defeat Congressman King?

QUESTION 2: Is the HSUS using the HSLF as a "mask" to hide and "COVER-UP" the true identity of "WHO" is lobbying, and "WHO" is supporting or opposing political candidates in much the same way that bank robbers wear "masks" to hide their true identity?

FACT 4: Records filed by the HSLF with the Federal Election Commission (FEC) confirm that the HSLF, whose President is Mr. Markarian, the "Second-In-Command" for the HSUS, has contributed Millions of Dollars to the political campaigns of Hundreds of Candidates seeking election to the U.S. Congress.

FACT 5: Extracts from HSLF Tax Returns confirm that the HSLF has endorsed or opposed well in excess of 1,000 candidates seeking election to the U.S. Congress since 2004, and it also endorsed the then Senator Obama for President in 2008 - - 192 candidates were endorsed or opposed in 2012 alone!

FACT 6: The HSUS currently employs State Directors in over 42 States - - most of whom are registered in their respective states to "Lobby" State Legislators to enact Bills supported, and often drafted, by the HSUS. MOST NOTABLY, THEIR SALARIES ARE PAID BY THE HSUS, AS OPPOSED TO THE HSLF, WHICH SUGGESTS THEY ARE MEMBERS OF THE POOL OF HSUS "PUPPETEERING" LOBBYISTS.

FACT 7: The HSUS WEBSITE, as opposed to the HSLF WEBSITE, has a link that lists 34 Bills, in addition to the PUPS Bill, that the HSUS is "LOBBYING" the U.S. Congress to enact. In short, in just the year of 2012, the HSUS has been aggressively Lobbying Members of Congress to enact 35 Bills - - not one, but 35 Bills in 2012!!!! **NO PUBLIC CHARITY - - NOT EVEN THE HSUS - - HAD EVER BEFORE LOBBIED IN SUPPORT OF SO MANY BILLS IN CONGRESS IN ONE SINGLE YEAR!!!!** In fact, no Multi-Billion Dollar, "For Profit" Corporation has ever lobbied Congress to enact 35 Bills in the same year!!!

FACT 8: The HSUS WEBSITE, as opposed to the HSLF WEBSITE, has a "link" that lists the Bills that the HSUS is "LOBBYING" for passage in the State Legislatures of all 50 States.

FACT 9: Since October 29, 2008, Frank Losey has submitted to multiple IRS Offices; to the Offices of two different Inspector Generals for the Department of the Treasury, and to two different Offices within the Department of Justice, more than 2,200 pages of documents that detail how the HSUS has circumvented compliance with the U.S. Tax Code and the Lobbying Disclosure Act.

FACT 10: The White House Visitors Log documents that Mr. Pacelle has made multiple trips to the White House to visit with Senior Executives in the Administration, including President Obama. **NOTE:** Any attempt to meet with a "Covered Executive Branch Official" for the purpose of attempting to influence a decision concerning a Federal Government Policy or Program is defined as "LOBBYING!!!"

FACT 11: The following examples of incriminating and documented quotes of Mr. Pacelle accurately describe the all-consuming Lobbying Role of the HSUS, and they discredit the truth and veracity of the self-serving assertions of the HSUS that it does not excessively lobby or actively support or oppose a candidate who is seeking public office; and that it is in compliance with the Lobbying Disclosure Act even though it is not registered as a "Lobbying Organization."

- ***"I've helped to pass perhaps 1,000 laws."***
- ***"We have passed 1,000 laws in the last decade."***
- ***"This is a political campaign."***
- ***"We must pursue such campaigns when lawmakers . . . slam the door in our face."***
- ***"We will hold accountable the public officials"***
- ***"Pacelle has helped to defeat some of the most active anti-animal welfare politicians in the United States, including Rep. Joe Knollenberg of Michigan (2008), Rep. Richard Pombo of California (2006), and Rep. Chris John of Louisiana (2004)."*** (Extract from Pacelle BIO that is posted on the HSUS Website.)

- On July 31, 2012 Mr. Pacelle stated in his BLOG that is posted on the HSUS WEBSITE: "U.S. Rep. Steve King, R-Iowa, gives very literal meaning to the term "backward thinking." This disparaging comment about a U.S. Congressman was followed by the contributions, as reported to the Federal Election Commission, of over \$750,000 by the HSLF in support of the political campaign activities in opposition to the re-election of Congressman King who is being challenged for his seat in Congress by the wife of the Secretary of Agriculture.
- QUESTION 3: IS IT A HARMLESS "COINCIDENCE" THAT MR. PACELLE SERVES AS THE EXECUTIVE VICE PRESIDENT OF THE HSLF WHICH HAS ALREADY EXPENDED OVER \$750,000 - - AND STILL COUNTING! - - TO FINANCE THE VIGOROUS, VICIOUS AND DEFAMING AD CAMPAIGNS AGAINST CONGRESSMAN KING WHILE PIOUSLY CLAIMING THAT THE HSUS DOES NOT ENGAGE IN POLITICAL CAMPAIGN ACTIVITIES?????
- "At The HSUS, we spend a lot of energy working to secure the passage of meaningful reforms to state laws around the country."
- "And in 2009 state legislation sessions, The HSUS worked to introduce anti-puppy mill bills in more than 30 states."
- "Since January 2009, not long after voters approved Proposition 2, The HSUS . . . has weighed in on 62 pieces of legislation (55 support and 7 opposed). Together, we have changed the legal landscape for animal protection in California. . . . The HSUS has worked with great energy to support these measures."
- NOTE: The "62 pieces of legislation" were in California alone, and do not include the hundreds of other "pieces of legislation" that the HSUS lobbied in support of or in opposition to in the other 49 States and in the U.S. Congress since January 2009!!!!
- "We are here to lobby!"

RHETORICAL QUESTION: Besides Mr. Pacelle, are there any other Presidents of 501 (c) (3) tax-exempt, public charities who claim responsibility for the passage of "1,000 laws?!?!?"

ANSWER TO RHETORICAL QUESTION: **NO! ABSOLUTELY NONE!!!!**

In point of fact, no "For Profit, Multi-Billion Dollar Corporation or Defense Contractor has ever been responsible for the passage of "1,000 Laws!!!!!!"

NOVEMBER 2012 CALL TO ACTION - - "SETTING THE STAGE!!!!!!"

With incredible hubris, and blind arrogance, **Mr. Wayne Pacelle**, who serves as the President and CEO of the HSUS, as well as the **"Head Puppeteer" of the most prolific "Lobbying Organization" in the U.S., has set the stage for this Call to Action by his repeated assertion that he is responsible for the passage of "1,000 laws."** This assertion was recorded on a CD, which has been in the possession of the Department of the Treasury's Office of the Inspector General for Tax Administration for over a year.

It is most significant that at least 12 Members of Congress have now contacted either the IRS, the Treasury Department or the Justice Department with respect to the substantiated and documented allegations that the HSUS has violated the U.S. Tax Code and the Lobbying Disclosure Act by engaging in excessive lobbying and by engaging in prohibited political campaign activities. As to the Lobbying Disclosure Act Issue, Indiana Senator Coats recently told a constituent that he had contacted Attorney General Eric Holder concerning the lobbying activities of the HSUS, and Alabama Senator Shelby sent one of his constituents a copy of the letter that he sent to the Justice Department.

What 12 Members of Congress have already done is HUGE! However, we need to create a much larger **"CRITICAL MASS"** of Members of Congress who will begin to question the propriety of the lobbying and political campaign activities of the HSUS, notwithstanding the existing beliefs held by so many that the HSUS is all *"good and wonderful,"* and can do no wrong. **"CRITICAL MASS"** may best be accomplished by **"FINESSE,"** which will cause an ever increasing number of Members of Congress to be influenced by *"seeds of doubt"* that are planted by asking them to respond to **"INNOCENT QUESTIONS,"** WITHOUT MENTIONING THE HSUS BY NAME! In short, if the Members respond to "innocent questions," it may result in "neutralizing" some of the very same Members of Congress who have heretofore signed onto any Bill being sponsored by the HSUS. While most breeders are focused on the PUPS Bill, it is most significant that the HSUS is lobbying in support of **34 other Bills in Congress** which would affect "ALL" INDIVIDUALS - - not just breeders - - who have anything to do with animals.

I recognize that many may think that contacting Members of Congress, and especially those who have been avid supporters of the HSUS, would be a useless, waste of time. However, as one who has worked in Washington DC for 20 years, and as one who is still registered as a "Lobbyist," I have witnessed on more than one occasion how a wall of support for an individual or entity on Capitol Hill can crumble when "scandal" occurs, or even when the hint of "scandal" occurs that could lead to a Congressional Oversight Hearing. However, for this Call to Action to have the maximum opportunity for success, two things must occur. First, we must generate thousands of E-Mails going to Members of Congress in all 50 States. Second, and even more important, the E-Mails MUST NOT - - REPEAT - - **MUST NOT MENTION THE HSUS BY NAME!** YES, THAT'S RIGHT!!! Contain your emotions, and resist the temptation to "blast" the HSUS - - **DO NOT MENTION THE HSUS!!!!!!** Simply allow the 2,200+ pages of incriminating documents that I have previously submitted to the IRS and to the Treasury Department to speak for themselves. In contrast, if you mention the HSUS, the probability of you receiving a "boilerplate," non-responsive response, that may even extol the virtues of the HSUS, will increase exponentially. So often, the obvious, but unspoken comments are far more effective in the long run than a personal, "feel good" rant that most Members of Congress will simply ignore.

I encourage all, who wish to see the HSUS humbled and brought to its knees by the IRS and the Justice Department, to send an E-Mail, with the exact text as set out below, to each of their Members of Congress. Yes, even to those who drink the Kool-Aid of the HSUS. There is "METHOD TO THIS MADNESS," as it will set the stage - - a form of a "SET-UP" - - that will lead more and more Members of Congress to the inescapable conclusion that the HSUS has been playing "FAST AND LOOSE" with regards to its failure to comply with the U.S. Tax Code and with the Lobbying Disclosure Act. And it may very well transform the remote possibility that the IRS would rescind the public charity status of the HSUS to "highly probable," which in turn, would destroy - - once and for all - - the unfounded, undeserving and unwarranted credibility of the the HSUS!!!! To this end, Mr. Paclel may have already planted the "seeds of self-destruction" on November 2, 2012 when he posted on his BLOG that the HSUS had filed a "200-page legal complaint" with the IRS that, perhaps unwittingly, alleged misconduct by a public charity! In short, "he who lives by the sword, dies by the sword!"

To send an E-Mail to each of your Members of Congress, the following guidance is provided:

1. To send an E-Mail to your U.S. Representative, Log onto www.house.gov/writerep/
2. Fill in your state and ZIP Code on the prompt that appears.
3. Add your name, address and E-Mail address on the E-Mail Form for your U.S. Representative; and on the Subject Line add: TAXES. If that Subject Line will not allow you to use that Subject, use "OTHER." Then add the message set out below.
4. To send an E-Mail to your Two Senators, Log onto:
www.senate.gov/general/contact_information/senators_cfm.cfm
5. Click onto the E-Mail Address for each of your two U.S. Senators.
6. Add your name, address and E-Mail address on the E-Mail Form for your U.S. Senator; and on the Subject Line add: TAXES. If that Subject Line will not allow you to use that Subject, use "OTHER." Then add the message set out below.
7. Send me a confirmation that the three E-Mails were sent to: f.losey@insightbb.com

PS NOTE 1: When Mr. Paclel recently sent me an E-Mail and described me as being "dishonest," could that be a sign that I am becoming a source of concern for him because of the more than 2,200 pages of incriminating documents that I have forwarded to multiple offices within the IRS, the Treasury Department and the Justice Department? (Yes, he did describe me as being "Dishonest!")

PPS NOTE 2: Mr. Paclel did not identify a single document of the 2,200+ pages of documents that I had submitted to the above offices as a basis for him to describe me as being "dishonest!"

PPPS NOTE 3: Was I being "dishonest" when I documented to the IRS, the Treasury Department and to the Justice Department that Mr. Paclel claimed responsibility for the passage of "1,000 laws?" And what proof did I submit? In addition to his quoted claims that he was responsible for the passage of "1,000 laws," which were reported in writing, the 2,200+ pages of documents that I have submitted included a CD recording of Mr. Paclel voicing this claim, in his own words, and from his own mouth!!! If he said it in his own words - - with his own mouth - - then it must be true, because Mr. Paclel NEVER LIES!!!!!!!!!!!!!! Right?!?!?!?!?!?!?!?!?!?!?

Dear Senator/Representative:

The Congressional Oversight Hearings that followed the 1972 Watergate Break-In ultimately resulted in the resignation of President Nixon, and the confinement of a number of his Senior Cabinet Members and Advisors, including his White House Counsel and his Attorney General because of their complicity and involvement in the subterfuge and cover-up of criminal activity. That "Dark Chapter" in our American History reinforced the fundamental principle that no person or entity in the U.S. is permitted to act as if he or she or it is "Above the Law" - - not even a President of the U.S.!

It has now come to my attention that several tax-exempt, public charities and their Senior Leadership have been acting as if they are "Above the Law," and that they do not need to comply with the U.S. Tax Code which states that public charities may not engage in "TOO MUCH LOBBYING," and that they are expressly prohibited from actively supporting or opposing any individual who is seeking election to a public office at the Local, State or Federal Level of Government. Furthermore, they may also be violating the Lobbying Disclosure Act if they are not registered with both Houses in Congress as a "Lobbying Organization."

I recognize that no sitting Member of Congress may directly intervene in any on-going investigation that may involve a public charity. However, I would appreciate if you would ask the Commissioner of the Internal Revenue Service, on my behalf, to answer the following three question

1. If the President of a tax-exempt, public charity acknowledges that he is responsible for the passage of 1,000 Laws, does lobbying in support of 1,000 Laws that were actually enacted into law constitute "TOO MUCH LOBBYING" by the President of a Public Charity?
2. If 1,000 Laws does not constitute "TOO MUCH LOBBYING," how many Laws may a President of a Public Charity lobby in support of without exceeding the "TOO MUCH LOBBYING" threshold?
3. Does the U.S. Tax Code permit the President of a Public Charity to create a Lobbying Subsidiary, and then wear "Two Hats" by actively serving as the Vice President of the Lobbying Subsidiary, which is used to endorse or oppose more than 1,000 candidates seeking election to public office; which actively participates in political campaign activities by posting favorable or inflammatory comments on the Website of the Public Charity; and which orchestrates the contributions of Millions of Dollars in support of or in opposition to the political campaign activities of Hundreds of Candidates? For example, if the President of a Public Charity controls the activities of its Lobbying Subsidiary, would it pass the "smell test" if the Lobbying Subsidiary contributed more than \$750,000 to an opposition campaign against a candidate?

Additionally, would you ask the Justice Department, on my behalf, the following question:

1. Is it permissible for a Public Charity to avoid compliance with the Registration Requirements in Lobbying Disclosure Act that requires an organization to register as a "Lobbying Organization" when the salaried employees of the Public Charity make multiple lobbying contacts with "Covered Officials" in the Executive and Legislative Branches of the Federal Government?

I look forward to receiving answers to my questions from the IRS and the Justice Department.

Respectfully,