

foavc

From: Nick Dranias <nick.dranias@compactforamerica.org>
Sent: Sunday, March 26, 2017 12:15 PM
To: foavc; Chip DeMoss
Cc: Paulette Rakestraw; Mead Treadwell
Subject: RE: Formal Request for public tax form
Attachments: IRSdatabase.png

Importance: High

Dear Mr. Walker:

Your report that the IRS database did not evidence Compact for America Educational Foundation as a recognized 501(c)(3) public charity caused me some concern. I appreciate your motivation in bringing that to my attention. But I am happy to advise you that you are mistaken. I've attached a screen shot showing that it is indeed a recognized public charity. I just captured this 10 minutes ago.

After doing that, it struck me. Is it possible that you are confusing Compact for America Educational Foundation with Compact for America, Inc.?

Please note that Compact for America Educational Foundation is a separate legal entity, indeed a separate corporation, from Compact for America, Inc. Only the Foundation is a 501(c)(3). Compact for America, Inc. is a 501(c)(4). The Foundation has been in existence since 2014. Compact for America, Inc. has been in existence (I believe) since 2012.

If you would like to receive public tax records for Compact for America, Inc., please note it is important for us to preserve the formalities of the separateness of the two organizations. If you wish to receive a copy of the tax returns and other public information to which you may be entitled from Compact for America, Inc., as opposed to Compact for America Educational Foundation, you will need to request it from Chip DeMoss at his Compact for America, Inc. email address, which is Chip.DeMoss@CompactforAmerica-Action.org.

Also, I would greatly appreciate it if you would kindly confirm that you would like us to furnish you with public tax records for Compact for America Educational Foundation.

Thank you,

Nick Dranias
President & Executive Director
Office of the President
Compact for America Educational Foundation, Inc.
[*Buy Official Compact for America Gear*](#)
[*Donate to Free Your Community and Fix the Nat'l Debt*](#)

From: foavc [mailto:foavc@isomedia.com]
Sent: Sunday, March 26, 2017 10:18 AM
To: Nick Dranias <nick.dranias@compactforamerica.org>; Chip DeMoss <chip.demoss@compactforamerica.org>
Cc: Paulette Rakestraw <paulette.rakestraw@compactforamerica-action.org>; Mead Treadwell <mead.treadwell@compactforamerica-action.org>
Subject: RE: Formal Request for public tax form

I appreciate your prompt response and await the production of the actual tax documents as requested. As to the protection of donors that matter will be addressed after review of the tax documents. It is not the general policy of FOAVC not to publish public record in full. However I do respect your request and again it will be considered. FOAVC is not that concerned about the donors. However possible and I emphasize the word, possible, violations of federal income tax law by both COS and CFA appear to exist. The tax documents will provide the answer. If they are not forthcoming then as stated a formal complaint will be submitted to the IRS notifying them of these possible violations. I'm sure you are already well aware of the fact that under federal law failure to produce the required tax forms is a \$20 a day fine up to a maximum of \$10,000 per return not disclosed.

Right now our main focus is finding out why when both COS and CFA maintain they are 501(c)(3) organizations there is no record of such (except for one filing by COS as a charitable organization) in the IRS databank and this was only recently filed. In short, as far as the IRS is concerned, neither of your organization appears to be legitimate 501(c)(3) organizations. Naturally, as a practicing attorney, I'm sure you can see the legal and tax consequences of falsification of tax documents and claims of tax exempt status when none actually exists. However at this time our investigation into this issue is preliminary. No public statement regarding this matter for either COS or CFA will be made by FOAVC until all the facts are gathered and examined. That you have my word on.

And for the record, FOAVC has never claimed, is not and has never requested any tax exempt status whatsoever. We believe in paying our taxes in full just like everybody else. Again thank you for your prompt response.

Bill Walker
Co-Founder FOAVC
www.foavc.org

From: Nick Dranias [mailto:nick.dranias@compactforamerica.org]
Sent: Sunday, March 26, 2017 9:38 AM
To: foavc; Chip DeMoss
Cc: Paulette Rakestraw; Mead Treadwell
Subject: RE: Formal Request for public tax form

Dear Mr. Walker:

We appreciate your inquiry and respectfully advise you that we have provided or will provide the public with maximum transparency as required by law and good practice. All of Compact for America Educational Foundation's educational activities are in full conformity with its 501(c)(3) tax status and in full compliance with our lobbying policy, which is based on well-established law and available here:
http://media.wix.com/ugd/e48202_89417884447149c8b46bc6de78a071a7.pdf.

As for tax records of the Foundation, we have made or will make public all of the information that is consistent with our duty at law as described herein: <https://www.irs.gov/charities-non-profits/public-disclosure-and-availability-of-exempt-organizations-returns-and-applications-documents-subject-to-public-disclosure>. This includes our 1023 application, our exemption letter determination, and all filed tax returns. To my knowledge, what is online is complete and genuine except that we have redacted certain donors at their request to protect their privacy and we have redacted the Foundation's tax identification number to prevent phishing and identity theft. I am sure that Chip will be happy to furnish you with the full original filings if you are entitled to them, but they are not in my possession.

All I ask, not as a condition to any such disclosure but simply out of human decency: please take steps to protect our donors' privacy preferences (there is a considerable risk of political retaliation in this space) and to minimize the risk of phishing and identity theft.

Compact for America, Inc. is a separate 501(c)(4) entity that predated the formation of the Foundation by several years. It is a social welfare educational entity, not a political entity. It was not created by the Foundation. I do not serve as an officer and never have. You need to direct your request for its tax records to Chip.DeMoss@CompactforAmerica-Action.org.

Very truly yours,

Nick Dranias
President & Executive Director
Office of the President
Compact for America Educational Foundation, Inc.
[Buy Official Compact for America Gear](#)
[Donate to Free Your Community and Fix the Nat'l Debt](#)

From: foavc [<mailto:foavc@isomedia.com>]
Sent: Sunday, March 26, 2017 8:27 AM
To: Chip DeMoss <chip.demoss@compactforamerica.org>
Cc: Paulette Rakestraw <paulette.rakestraw@compactforamerica-action.org>; Mead Treadwell <mead.treadwell@compactforamerica-action.org>; Nick Dranias <nick.dranias@compactforamerica.org>
Subject: Formal Request for public tax form

Dear Sirs,

It has come to our attention that your organization Compact for America claims status as a Section 501(c)(3) non-profit organization incorporated under the laws of the State of Texas as well as a 501(c)(4) organization. Quoting your website:

“Compact for America Action is a project of Compact for America, Inc., which is a Texas-incorporated non-profit corporation that enjoys [recognition from the Internal Revenue Service](#) as an social and educational organization under Internal Revenue Code 501(c)(4). Compact for America, Inc. is a distinct legal entity from [Compact for America Educational Foundation, Inc.](#), which is a Texas-incorporated non-profit corporation that enjoys recognition from the Internal Revenue Services as an educational charity under Internal Revenue Code 501(c)(3).”

Your site has published some purported records <http://www.compactforamerica.org/filings--financials> which other amendment advocacy groups have not. Yet we note in one file your tax number 46-5469141 has been blacked out (a possible violation of federal income tax law as well as indicating a possible attempt to prevent full public inspection of required income tax filings). See: http://media.wix.com/ugd/e48202_2fe55ae6280d4a97b78b36dfadc7e26b.pdf

Based on the material you have provided it appears you have filed as a political organization with the IRS. However your records are incomplete and cannot be independently confirmed by use of any title you provide or by your tax number 46-5469141. Therefore we cannot confirm that other for the single year you provide on your site (2015) your organization has filed all required paperwork with the IRS or continues to be a qualified tax exempt organization or in fact actually filed the purported tax form. Despite your showing of purported IRS letter affirming approval of your purported tax status we can find no records in the IRS database confirming such status.

According to the above quote your organization has created a lobbying organization and an educational tax exempt organization. The purpose of your organization “Compact for America” which you have solicited donations is to cause the calling of a national amendments convention called under authority of the Compact Clause of the United States Constitution by the creation of a compact authorized by that constitutional clause. In all instances the creation of a compact is a legislative matter encompassing the passage of legislation in the effected states creating the compact. It further requires assenting legislation by the Congress of the United States as mandated by the terms of the compact clause. Under interpretation of the Supreme Court a compact in no way is construed to be part of the amendment process of the United States Constitution but instead is entirely a legislative process requiring the passage of legislation to bring about the compact. See generally: <https://supreme.justia.com/cases/federal/us/148/503/case.html> Under the standard of the Court established in that case and subsequently repeated since the Court determined a formal legislatively created compact consented to by Congress is required should it effect “federal power.” Obviously the creation of an entirely new amendment process for the federal Constitution effects federal power. Clearly therefore the requirements of the compact clause and its legislative mandates apply.

We are not here to discuss the political issues regarding whether or not such a convention exists or could exist. Instead the purpose of this email is a formal request for ALL tax records of your organization (permitted by federal law for examination) only a part of which you present on your website. Quoting the IRS publication (www.irs.gov/charities-non-profits/lobbying):

“In general, no organization may qualify for section 501(c)(3) status if a substantial part of its activities is attempting to influence legislation (commonly known as *lobbying*). A 501(c)(3) organization may engage in some lobbying, but too much lobbying activity risks loss of tax-exempt status.

Legislation includes action by Congress, any state legislature, any local council, or similar governing body, with respect to acts, bills, resolutions, or similar items (such as legislative confirmation of appointive office), or by the public in referendum, ballot initiative, constitutional amendment, or similar procedure. It does not include actions by executive, judicial, or administrative bodies.

An organization will be regarded as attempting to influence legislation if it contacts, or urges the public to contact, members or employees of a legislative body for the purpose of proposing, supporting, or opposing legislation, or if the organization advocates the adoption or rejection of legislation.” [Emphasis added].

The entire and sole purpose of “Compact for America” is to cause and support states passing resolutions for a “Compact” and the passage of laws (legislation) supporting the purported constitutional action of the creation of a compact. Clearly therefore there appears to be a clear violation of IRS regulations regarding charitable organizations unless your tax records demonstrate otherwise by presentation of tax forms permitting lobbying by both groups.

You should be aware we have researched the IRS date files thoroughly and used the terms “Compact” “Compact for America Initiative”, “Compact for America Action” as well as your tax number 46-5469141 along with other alias which have come to light. To date our examination has provided no information from the IRS databank showing any filings whatsoever under any of these names. We point out that regardless of whatever alias your organization chooses to employ for the purposes of reporting the tax number remains the same and again we have not discovered any records using that source whatsoever. FOAVC prefers to use primary sources as its reference which the purpose for our request. We believe therefore in the interest of accuracy that any information regarding your tax status should come “straight from the horse’s mouth.”

Under federal law 26 US 6104 and appropriate IRS regulations, any organization claiming 501(c)(3) or any other tax exempt status permitted by federal income tax law is required upon request to turn over to any person making such request copies of all public disclosure tax forms. While the law only requires the organization provide tax forms for the past three years, we would appreciate it if you would provide to us ALL public disclosure tax forms for all years submitted under all alias used by your organization since its conception. This includes all Form 990 submissions (including all addendums, attachments and all other paperwork submitted to the IRS), all Schedule C forms or any other public disclosure forms submitted with the Form 990 or separately submitted to the IRS which by law are required to be subject to public disclosure under ALL alias used or employed by your organization. In addition we request copies of any 5768, 8871 or 8872 forms filed for any year (all subject to public disclosure under federal law) be turned over to us again under all alias used or employed by your organization. Further we request all worksheets and any other information regarding your 501(c)(3) status permitted by federal law for public disclosure under all alias used or employed by your organization. In short we are asking for every tax record you have permitted by federal law to be released under the public disclosure laws.

Please be advised that failure to produce these records within a period not to exceed two weeks from the date of this email (March 26, 2017) making the last date possible for reply April 9, 2017 **will** result in the filing of a formal complaint using IRS form 13909 regarding your refusal to provide public information as required by

federal law together with evidence of apparent violation of the lobbying laws by your organization as also provided by form 13909. Further refusal by your organization to provide required public records as mandated by federal law **will** result in publication of the fact together with fact of apparent violation of federal income tax law. Under federal law you are permitted to charge a reasonable rate for printing of copies of the forms. FOAVC will bear the costs of such printing should you choose to impose the legal rate allowed by federal law. If so, please furnish us a bill by return email so we may immediately forward you the funds. We would prefer you send us pdf copies of your forms by electronic response to this email. However should you elect to do so you can send us paper copies to our mailing address of: FOAVC, PO Box 1242, Auburn, WA 98071-1242.

While federal law does permit (upon formal appeal to the IRS) an organization to turn down requests for copies of tax documents of 501(c)(3) organizations intended to be released to the public based on perceived harassment, we do not believe this to be the case in this instance. FOAVC has never requested such forms from your organization in the past. We will only request the information once. We point out that notification of filing of a formal complaint is the right of every citizen and is encouraged by the IRS itself. Therefore informing you of the consequences of what public law provides should you fail to comply with provisions of that public law which enable your organization to enjoy a tax benefit that it would not otherwise enjoy when it is likely your organization is already fully aware of the laws is not harassment. We are merely reminding you of your required obligation and the consequences for not doing do.

Thank you for your cooperation in this matter.

Bill Walker
Co-Founder FOAVC
www.foavc.org

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