

THE MONOLITHIC GROWTH OF LOBBYING ACTIVITIES OF THE HSUS

BACKGROUND SUMMARY AND 26 QUESTIONS

1. **“In his own words,”** as set out in the BIO of Mr. Pacelle, which is posted on the HSUS Website, **Mr. Pacelle stated and claimed that:**

- He became the President and CEO of the HSUS on June 1, 2004, *“after serving nearly 10 years as the organization’s chief lobbyist and spokesperson.”*
- The HSUS has *“11 million members and constituents, annual revenue of \$130 million.”*
- He *“played a central role in more than 25 successful statewide ballot measure campaigns.”*
- He *“led successful campaigns to defeat ballot measures”* in California, Oregon, Arizona and Oklahoma.
- *“He and HSUS have worked for the passage of more than 500 new state laws just since 2001, and he has helped to pass more than 25 federal statutes.”*
- He *“is the founder of Humane USA.”* (A Political Action Committee established after Mr. Pacelle became President of the HSUS. Note also that Mr. Markarian, who is the Executive Vice President and Chief Operating Officer (COO) of the HSUS, serves as the Chairman of this PAC.)
- He is *“the founder of the Humane Society Legislative Fund, a 501 (c) (4) social welfare organization that lobbies for animal welfare legislation and works to elect humane-minded candidates to public offices.”* (NOTE: Mr. Pacelle not only was the founder, but he serves as the Vice President of this organization.)
 - Additionally, Mr. Markarian, who serves as the Executive Vice President and COO of the HSUS, serves as the President of the HSLF, and according to his BIO, he *“works to elect humane-minded candidates to public office.”*
 - The apparent symbiotic relationship of the leadership of the HSUS with the Humane USA PAC and the Humane Society Legislative Fund (HSLF) should raise the following two questions. **QUESTION 1:** *How are “conflicts of interests” resolved with respect to the respective duties of Mr. Pacelle and Mr. Markarian as they relate to acting on behalf of the HSUS, the HSLF and the Humane USA PAC? **QUESTION 2:** Were the Humane Society Legislative Fund and the Humane USA PAC created and established in an attempt to conceal and “cover-up” the magnitude, breadth and pervasiveness of the political agenda and the lobbying activities of the HSUS?*
 - Here it is significant also to note that the Humane Society Legislative Fund was created before the HSUS ceased to make a **“Section 501 (h) election”** on its Tax Return in 2005. The HSUS had made a Section 501 (h) election on its 2004 Tax Return, and apparently had done so in prior years based on the entries on the 2004 Tax Return. However no such election was made on the HSUS Tax Returns for 2005-2008. **This “paper trail” and pattern of conduct raises QUESTION 3. What motivated Mr. Pacelle to change the “election” for**

reporting Lobbying by the HSUS, especially since the change coincided with him founding and creating the Humane USA PAC and the Humane Society Legislative Fund, a 501 (c) (4) affiliated lobbying organization in 2004?

- *“Working with both organizations (Humane Society Legislative Fund and Humane USA PAC), Pacelle has helped to defeat some of the strong anti-animal welfare politicians in the United States, including Rep. Richard Pombo of California and Rep. Chris John of Louisiana (2004).” **QUESTION 4:** Did these actions violate the following explicit IRS limitations on Lobbying?: “The Organizational definition in IRC Section 501 (c) (3) restricts the ability of these organizations to participate in political activities in two ways: (1) they may only conduct an insubstantial amount of lobbying and (2) they may not intervene in political campaigns.”*
2. Quote from Mr. Pacelle’s HSUS Website Blog dated December 27, 2007: *“When I came to HSUS 13 years ago . . . I felt that the HSUS and yet-to-be-formed-or-acquired affiliates could become political and legislative powerhouses.”*
 - ***Question 5:** Despite any representations to the contrary, does the above quote confirm the magnitude of the lobbying agenda of Mr. Pacelle and the HSUS, and substantiate the real reason that the Humane Society Legislative Fund and the Humane USA Pac were created; and also confirm that the primary purpose of the Humane Society Legislative Fund is to engage almost exclusively in lobbying activities?*
 3. The HSUS began preparing a *“Humane Scorecard”* that tracked key votes as well as cosponsorship of important pro-animal bills as early as 1995 when Mr. Pacelle became the *“chief lobbyist”* for HSUS, and *nearly 10 years before the Humane Society Legislative Fund was created.* Significantly, the Humane Scorecard is used *“to assess the performance of your two Senators and your U.S. Representative.”*
 - *“On March 25, 2009, the Humane Society of the United States . . . held a special reception in the U.S. Capitol to honor Members of Congress . . . who received perfect scores of 100 percent on the Annual Humane Scorecard (for the 110th Congress).”*
 - On March 3, 2010 the HSUS posted on its Website an Article entitled *“The HSUS Honors Humane Federal Legislators of 2009.”* A quote from that HSUS Website Article is the *“Humane Scorecard . . . (gives) animal advocates a tool to assess the performance of their Senators and Representatives.”*
 - *“New! California 2009 Humane Scorecard.”*
 - ***QUESTION 6:** Is not tracking votes, publishing an annual “Scorecard,” and honoring those legislators who scored “100 percent” a telling example of unbridled lobbying?*
 4. Mr. Markarian’s September 22, 2008 Blog, which at that time could be accessed through a Link listed on the HSUS Website, stated: *“While we’ve endorsed hundreds of congressional candidates for election, we’ve never before endorsed a presidential candidate. . . . the HSLF board of directors (Mr. Pacelle, the President and CEO of*

HSUS, and Mr. Markarian, the Executive Vice President of the HSUS, are “board members”)... has voted unanimously to endorse Barack Obama for President.”

- ***QUESTION 7: Since Mr. Markarian is the Executive Vice President and COO of the HSUS, has he attempted to circumvent the limitation on political endorsements by using the cover of the Humane Society Legislative Fund to make what would be a prohibited political endorsement by a Section 501 (c) (3) organization?***
5. Despite all of the claims of legislative accomplishments by the HSUS, the HSUS did not acknowledge on its Tax Returns until 2008 that its Paid Staff and management and volunteers actually lobbied on behalf of the HSUS. ***QUESTION 8: Why were these omissions made, and what will the IRS do to reconcile these omissions?***
 6. HSUS listed under ***“Grants to other organizations for lobbying purposes”*** on its 2005-2008 Tax returns a cumulative total of \$6,759,251. ***QUESTION 9: “What are the names of those “organizations,” and did they include the Humane Society Legislative Fund or the Humane USA PAC?”***
 7. Mr. Pacelle and Mr. Markarian are the two highest ranking Officers in the HSUS, and both serve on the Board of Directors of the Humane Society Legislative Fund, and both do work on behalf of this affiliated lobbying organization. ***Question 10: What percent of their fully burdened compensation, overhead, staff support and travel expenses have been allocated to the lobbying activities of the Humane Society , as well as their other individual lobbying activities that they have both discussed repeatedly - - almost daily - - in their Blogs that were posted on the HSUS Website?***
 8. ***QUESTION 11: How were the time, fully burdened compensation and expenses of Ms. Perry, the Vice President of Government Affairs, and her staff, allocated to the lobbying activities of the Humane Society of the United States, especially in light of the following quote from the HSUS 2008 Tax Return?: “With Staff of our Government Affairs Section in Washington, D.C., Regional Staff in our Field Services Section Across the Country, and a network of volunteers, we are active in more than 40 State Capitols across the Country.”*** Another significant quote from Ms. Perry’s BIO, which is posted on the HSUS Website, is ***“She oversees lobbying efforts in state legislatures, including ballot measure campaigns, and Congress and directs grass roots activities nationwide. She also lobbies directly for federal animal protection legislation. . . . The HSUS has lobbied in all 50 states for animal protection legislation and secured felony cruelty provisions in 41 states (including Washington DC). . . and aided in the passage of 24 ballot measures.”***
 9. ***QUESTION 12: Does the HSUS include as lobbying expenses on its Tax Returns, with respect to the “no substantial part” test, those expenses related to another extract from its Tax Returns: “The HSUS sent electronic updates to nationwide volunteers, members, and other interested parties. In addition, the HSUS assisted in sending constituent Email and FAXES to Lawmakers through a functionality of the Society’s Website?”***
 10. On April 23, 2010, the HSUS posted a “Humane Alert” on its Website. A key quote from this “Humane Alert,” which is illustrative of so many other Humane Alerts that are posted on the HSUS Website, is ***“Take Action . . . Please make a brief, polite phone call to your U.S. representative and urge support of H.R. 5092. Click here to look up your***

U.S. representative's name and phone number. . . . After you call, fill in and submit the form below to automatically send a follow-up email to your legislator."

QUESTON 13: *Does the HSUS accurately and fully report and calculate the lobby activities of its "network of volunteers" and its "11 million members" in determining the "no substantial part" test of the overall lobbying activities of the HSUS?*

11. The HSUS began conducting its Humane Lobby Days in State Capitols in 2008 - - more than 100 have occurred. (Extract from one of the Humane Lobby Day documents: ***"Humane Lobby Day is an event sponsored by the Humane Society of the United States where citizen animal advocates like you gather to learn and practice lobbying for animal protection at the state level. It is a full-day event including a lobby workshop and an overview of relevant bills in your state legislature. Appointments are made for you with the legislators that represent you so you can visit with the legislators (or their staff) face to face and ask for animal-friendly votes."*** **QUESTION 14:** *To what extent have these more than 100 Lobby Day Events in State Capitols, and the massive preparation involved in orchestrating these Lobby Day Events, been accurately and fully reported and calculated in determining the "no substantial part" test for lobbying for the HSUS?*
12. ***The HSUS has State Directors who are listed as "Registered Lobbyists" in at least 36 different States.*** **QUESTION 15:** *How much of their time, fully burdened compensation, overhead and travel expenses were accurately and fully reported and calculated in determining the "no substantial part" test for lobbying for the HSUS?*
13. The Section of the HSUS Tax Return that discusses ***"advertising"*** raises **QUESTION 16:** *Are the reported advertising expenses on the HSUS Tax Returns used for a dual purpose of not only raising funds (Over \$24 Million in fundraising expenses were listed on the 2008 Tax Return), but are being used "to influence public opinion on . . . legislative matter(s) or referendum(s)?"* An objective review of many of the fundraising commercials and advertisements clearly will establish that part of the purpose of the advertising is to influence the opinions of the public and legislators, and as such a proportionate amount of those advertising expenditures should be included in determination the "no substantial part" test for lobbying for the HSUS.
14. The following quote is an extract from the HSUS Tax Returns: ***"The Humane Society of the United States plans, coordinates, and implements a Public Policy Program. This Program includes maintaining and expanding contacts with Members of Congress, State Legislators, Executive and Regulatory Agencies."*** **QUESTION 17:** *How much of these activities have been accurately and fully reported and calculated in determining the "no substantial part" test for lobbying by the HSUS?*
15. Another quote from HSUS Tax Returns: ***"The HSUS organized and taught "LOBBYING 101" Workshops in a number of locations. We also communicate with online advocates and provide information and training remotely."*** **QUESTION 18:** *How much of these activities have been accurately and fully reported and calculated in determining the "no substantial part" test for lobbying by the HSUS?*

16. The HSUS has conducted hundreds of Lobby 101 Workshops. **QUESTION 19:** *How much of these activities have been accurately and fully reported and calculated in determining the “no substantial part” test for lobbying by the HSUS?*
17. A key quote from the State Lobbying Guide: ***“Basics of Lobbying Animal Protection at the State Level.”*** **QUESTION 20:** *How much of the effort and cost to prepare, publish and distribute this Guide have been accurately and fully reported and calculated in determining the “no substantial part” test for lobbying by the HSUS?*
18. Each year the HSUS posts on its Website its ***“Major Accomplishments,”*** which invariably focus on its legislative accomplishments for the year, such as how many State and Federal Statutes it helped to pass. **QUESTION 21:** *How much of the lobbying efforts associated with State and Federal Statutes that contributed to these ***“Major Accomplishments”*** were accurately and fully reported and calculated in determining the “no substantial part” test for lobbying by the HSUS?*
19. For the last five years the HSUS has sponsored a major Multi-Day Lobbying Workshop (Taking Action for Animals) in the Washington DC Area that culminates in hundreds of citizens from all over the U.S. descending upon the U.S. Capitol for the express purpose of “lobbying” their respective U.S. Members of Congress in accordance with training and guidance provided to them by the staff of the HSUS.
- Specific Quotes associated with this Five-Day Lobbying Extravaganza include: ***“Becoming a Citizen Lobbyist at the State and Federal Level. . . .Grassroots Strategies. . . . Lobbying in Your Backyard. . . .Advocating for Animals at Your State Capitol. . . . Get Ready, Get Set, Lobby! And Training for Lobby Day. . . . Advocating for Animals in the U.S. Congress. . . . This workshop is mandatory for anyone attending Lobby Day on Monday. . . . Lobby Day. Meet with your legislators on Capitol Hill.”***
 - The next Taking Action for Animals Lobbying Workshop is scheduled to occur on July 23-26, 2010 at the Washington Marriot Wardman Park Hotel.
 - **QUESTION 22:** *How much of the thousands of hours of pre-preparation for and the execution of the Multi-Day Lobbying Extravanzas have been accurately and fully reported and calculated in determining the “no substantial part” test for lobbying by the HSUS?*
20. Prior to November 2009, when the HSUS revamped its Home Page on its Website, the first 10 links on HSUS Website Pages included the following links on the left-side column, each of which was lobby-related.
- Action Alerts
 - ***“TAKE ACTION. . . Please make a brief, polite call to your U.S. Representative to urge support for.....”***
 - Federal Legislation

- *“The Humane Society of the United States is committed to achieving progress for animals through federal legislation.”*
- State Legislation
- Ballot Initiatives
- Citizen Lobbyist Center
 - *“The HSUS is pleased to offer the following helpful tools on becoming a humane legislation advocate. . . . You have the power to influence your legislators, and the HSUS can help make you an effective lobbyist for animals.”*
 - *“Tips for Successful Lobbying.”*
 - *“Do’s and Don’ts of Lobbying.”*
 - *“What Influences a Legislator?”*
- Contact Information for State Legislatures
- Enacted and Vetoed State Legislation
- Finding Your Elected Officials
- Lobby 101
 - *“You have the power to influence your legislators, and the HSUS can help you.” The Government Affairs staff would like to see every person who cares about animals take part in lobbying. With this in mind, we have created training documents to enhance your lobbying techniques.”*
- Legislation News
- **QUESTION 23:** *Did the HSUS revamp and restructure its Web Pages to eliminate those 10 lobby-related links because it realized that its lobbying “paper trail” was so blatant that it clearly suggested that the primary focus of the HSUS is to “Lobby,” and that the ‘paper trail’ may be used to prove that the HSUS does “Too Much Lobbying?”*
- **QUESTION 24:** *Could the revamping and restructuring of the HSUS Web Page to eliminate those 10 lobby-related links be considered to be evidence of a “cover-up” pattern of conduct?*

21. Each of the above 10 links, which reflect a highly biased priority for lobbying activity, had additional links that provided more lobbying information and guidance, such as the “Humane Scorecard,” “State Lobby Guide,” and the “Handbook for the Citizen Lobbyist.” Again, the creation of the HSUS **Internet Lobby Library** represented an enormous amount of energy, time and expense, and it raises yet again the question. **QUESTION 25:** *How much of the associated expenses and fully burdened compensation of the HSUS staff who prepared*

and distributed this handbook were accurately and fully reported and calculated in determining the “no substantial part” test for lobbying by the HSUS?

- A key quote from the “*Handbook for the Citizen Lobbyist*” is riveting and it is illustrative of the emphasis that HSUS places on lobbying. **“The HSUS Action Network is a national grassroots project of the HSUS that organizes individuals by legislative district to develop grassroots support for animal protection legislation at the state and federal levels. When urgent action is needed on animal protection legislation, the network is activated and activists are called to contact their legislators about a particular piece of legislation.”**
 - Obviously, the HSUS used its “**HSUS Action Network**” to contact its 11 million members and volunteers to make lobbying-related contacts with State and Federal legislators, as part of the lobbying efforts that HSUS claims resulted in “*more than 500 new state laws,*” and “*more than 25 federal statutes,*” being enacted, and “*more than 25 successful statewide ballot measure campaigns*” being conducted. These braggadocio-like claims suggest that the **HSUS has literally generated millions of lobby-related contacts.**
 - **QUESTION 26: Where has the HSUS reported the lobbying activities of its 11 million members and its network of volunteers in calculating the “no substantial part” test to determine if the HSUS has engaged in “too much lobbying?”**