



AMERICANS FOR
LIMITED GOVERNMENT

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February 20, 2009

The Honorable Zoe Lofgren
Chairman
U.S. House Committee on Standards of Official Conduct
Washington, DC 20515

**RE: Lobbying Activity of American Rights at Work and its Treasurer
Rep. Hilda Solis; Filing of False Reports by Rep. Hilda Solis**

Dear Chairman Lofgren:

I write today to inform the Committee of ethical issues regarding the lobbying activity of the organization American Rights at Work (ARW) and its Treasurer, Rep. Hilda Solis. From our reading of the ethics rules, it appears that this organization and Rep. Solis have violated House ethics rules in that they engaged in lobbying activity targeted at Members of the House. Further, Rep. Solis filed disclosure reports that failed to disclose her role in ARW.

I respectfully request guidance from the Committee on these matters. If our reading of House Rules and Ethical Standards are incorrect, it is our intent to begin working with a number of Members of the House in a manner similar to that of Representative Solis.

The organization ARW is tax-exempt under Internal Revenue Code Sec. 501(c)(4). Among other things the organization engages in lobbying activities designed to urge Members of Congress to vote in a particular manner on specific legislation. For instance, ARW recently paid for ads that aired in the state of New Hampshire that urged viewers to contact a sitting Member of Congress and urge him to support a specific piece of legislation known as the Employee Free Choice Act. The ad in question can be found on the internet by going to: http://www.youtube.com/watch?v=eJlf1pBnWoe&feature=channel_page. For these ads in New Hampshire ARW disbursed \$169,225. This disbursement was listed on the FEC Form 9 filed with the Federal Election Commission by ARW on September 9, 2008. A copy of this form is attached.

Rep. Hilda Solis was a member of the board of directors of ARW serving as treasurer at the time the lobbying ads were aired. See attached IRS Form 990 which contains a listing of the board members. As treasurer of ARW Rep. Hilda Solis had the responsibility to insure that organizational funds were spent in accordance with all applicable laws and regulations including those of the Federal Election Commission and the Internal Revenue Service.

The House Ethics Manual provides that while a Member can serve in an uncompensated position as a member of the board of an outside organization, the Member “should not personally supervise the organization’s lobbying activities since such action on behalf of a single private group would appear inconsistent with her responsibilities to the public at large.” House Ethics Manual at p. 352.

The treasurer of an organization supervises all expenditures of that organization. Since ARW used expenditures to pay for lobbying activities targeted at Members of Congress Rep. Solis therefore supervised these activities in her role as treasurer. As such it appears that Rep. Solis has violated the House ethics standards by this action.

Filing False Disclosure Report

All Members of Congress are required pursuant to 5 U.S.C. App. Sec. 101 to file financial disclosure reports. Rep. Solis recently informed the House Clerk’s office by letter that there are problems with the financial disclosure reports she filed for the calendar years of 2004 to 2007. Rep. Solis admitted that she had incorrectly answered a question on the form and had not disclosed her position with ARW. A copy of this letter is attached. Filing a false disclosure report is a very serious matter and can result in criminal penalties pursuant to 18 U.S.C. Sec. 1001. Filing a false report also deprives the public of information that would enable inspection of whether a Member’s official actions are conflicted with their private activities. As noted by the grand jury indictment of Sen. Ted Stevens for filing false reports:

“A primary purpose of the yearly Financial Disclosure Forms is to disclose, monitor and deter conflicts of interest, thereby maintaining public confidence in the integrity of the United States Senate and its Members.” *U.S. v. Stevens*, 08 CR 0023, Indictment at p.3 (D.D.C. 2008).

By omitting critical information from her disclosure report Rep. Solis deprived the public of the opportunity to “monitor and deter” an apparent conflict of interest.

Based on the foregoing I respectfully ask the Committee to determine whether our interpretation of the ethics rules is correct. If so, I am confident the appropriate actions will ensue under Committee Rule 24. If not, your guidance in understanding the proper role Members may play would be an invaluable service to citizens organizations throughout the nation.

Sincerely,

A handwritten signature in cursive script, appearing to read "William A. Wilson".

William Wilson
President

Enclosures:

- FEC Form 9 filed by American Rights at Work
 - IRS Form 990 filed by American Rights at Work
 - Form A filed by Rep. Hilda Solis
 - Letter from Rep. Hilda Solis to House Clerk's Office
- CC: Ranking Member Jo Bonner