

on June 25. We submitted a request for a 30-day extension of time to respond, which was granted by letter dated July 10, 2012.

In this matter, Complainant writes, "The Commission should act without delay to apply the legal standards approved by the court and hold Crossroads [GPS] to the same disclosure obligations as all other political committees." Complainant also refers to Crossroads GPS's alleged "scheme to achieve anonymity." These erroneous legal conclusions and overblown rhetoric aside, Crossroads GPS conducts itself in accordance with the law as it is. Complainant's real objection seems to be with the law itself, and more specifically, with how the law is frustrating Complainant's ability to publicly smear, harass and boycott (or "hold accountable," as some have taken to calling it) Crossroads GPS's supporters. *See Obama For America, Behind the curtain: A brief history of Romney's donors* (April 20, 2012) ("A closer look at Romney's donors reveals a group of wealthy individuals with less-than-reputable records. Quite a few have been on the wrong side of the law, others have made profits at the expense of so many Americans, and still others are donating to help ensure Romney puts beneficial policies in place for them. Here's a look at just a few of the people Romney has relied on") available at <http://www.barackobama.com/truth-team/entry/behind-the-curtain-a-brief-history-of-romneys-donors> and attached as Exhibit A.⁴

This Complaint, along with its accompanying media and online petition components, is just another example of the ongoing, coordinated efforts to harass ideological opponents – and ultimately to suppress their speech. As usual, the proponents of this strategy fly the flag of "disclosure." Complainant's own counsel, in a discussion of BCRA's stand-by-your-ad requirements several years ago, once derided the organizations "that 'watch' for this sort of thing—then devise legislative remedies appealing to politicians who are naturally distressed by negative speech, would like to stop it, and would insist toward this goal that its authorship be publicly exposed." Of them, he wrote, "since few aspiring censors will admit openly to their purposes, the appeal to 'disclosure' has given them the moral authority, in public argument, that they need. . . . It is presented as nothing more than a 'disclosure.' Its function, in fact, is to create disincentives for certain kinds of messages But 'disclosure' sounds so much better." Bob Bauer, *Celebrating McCain-Feingold's Birthday: "Speech! Speech!"*, *More Soft Money Hard Law Web Updates* (March 28, 2007) available at <http://www.moresoftmoneyhardlaw.com/updates/disclosure.html?AID=962>.

While we do not confuse the personal views of an attorney with the political needs of a client, Mr. Bauer was certainly correct in 2007 when he observed that the point of modern day

⁴ Shortly after the Obama campaign's list was posted, operatives appeared at a courthouse seeking the divorce records of one of the named donors. *See Kimberly Strassel, Trolling For Dirt On The President's List, Wall Street Journal* (May 10, 2012) available at <http://online.wsj.com/article/SB10001424052702304070304577396412560038208.html>.

disclosure crusades “is to create disincentives for certain kinds of messages.” This Complaint should be viewed in that light.

I. The Complaint’s Allegations

Mixed in with the irrelevant political rhetoric plainly intended for press consumption⁵ and self-righteous grandstanding,⁶ the Complaint includes two basic legal arguments, both of which are addressed below:

- (1) “On June 12, 2012, in the case of *Real Truth About Obama v. FEC*, No. 11-1760 (4th Cir. June 12, 2012), the U.S. Court of Appeals for the Fourth Circuit held that the FEC may, and by statutory mandate should, apply a test to the activities of organizations like Crossroads that will inevitably reveal them to be ‘political committees,’ not charities, because their ‘major purpose’ is to elect candidates to federal office.” Complaint at 1.
- (2) “Crossroads GPS is a ‘political committee’ under the FEC’s two-part test.” Complaint at 2.

As demonstrated below, the Fourth Circuit’s decision in *Real Truth* in no way changed any part of the applicable “political committee” standard. Crossroads GPS is not a “political committee,” and the court’s decision in *Real Truth* has absolutely no impact on this determination. This Complaint presents no evidence that demonstrates that Crossroads GPS is a political committee and should be dismissed expeditiously.

II. Response

A. The Apparent Holdings of *Real Truth About Abortion v. FEC* and the Impact on Commission Enforcement

The Complaint is largely premised on the mistaken notion that the June 12, 2012, decision in *Real Truth* brought about a substantive change in the law and/or enhanced the FEC’s powers. The Fourth Circuit’s decision, however, did nothing more than maintain the status quo that has existed for many years. The Fourth Circuit upheld the constitutionality of 11 C.F.R. §

⁵ For example, Complainants write, “Forty years after Watergate, the election financing scandal that prompted the creation of this agency, covert corporate and wealthy individual spending is becoming once again standard operating procedure. This agency must act.” Complaint at 2.

⁶ For example, Complainant professes to fear that Crossroads GPS’s donors “may be pursuing special interest agendas that are not in the national interest.” Complaint at 1.

100.22(b) and the validity of the Commission's 2007 political committee status policy. Section 100.22(b) has been on the books and in effect, to varying degrees, since it was adopted in 1995. The Commission's political committee status policy has been in effect since it was adopted in 2007.⁷ In considering the potential ramifications of the decision, it is also important to remember that the decision came in the context of a challenge to the law by a Section 527 organization whose only claimed activities were the two proposed advertisements considered by the Fourth Circuit, related website content, and a fundraising solicitation.

In terms of the actual, practical application of the law, nothing is different as a result of *Real Truth*. The test that the FEC applies to determine whether Crossroads GPS, or any other organization, is a "political committee" subject to FEC regulation is exactly the same now as it was before the *Real Truth* decision was issued.

1. The Impact of *Real Truth About Obama/Abortion* On Section 100.22(b)

As noted above, Section 100.22(b) has been on the books since 1995, notwithstanding its checkered history that has been exhaustively detailed elsewhere. In *Real Truth*, the Fourth Circuit indicated that its earlier decision in *Virginia Society for Human Life, Inc. v. FEC*, 263 F.3d 379 (4th Cir. 2001), holding 11 C.F.R. § 100.22(b) unconstitutional, could "no longer stand, in light of *McConnell* and *Federal Election Commission v. Wisconsin Right to Life*, 551 U.S. 449 (2007)." *Real Truth*, slip op. at 12 n.2. With respect to the Commission's application of 11 C.F.R. § 100.22(b), however, the Fourth Circuit's decision has little practical effect.

11 C.F.R. § 100.22(b) was adopted in 1995 and has remained on the books ever since, despite the fact that several courts held the provision unconstitutional prior to BCRA's passage. Following the passage of BCRA and the Supreme Court's decision in *McConnell v. FEC*, the Commission applied 11 C.F.R. § 100.22(b) in the 2005-2006 "527 cases," on the grounds that the provision had been given new life by *McConnell*. See, e.g., MURs 5511 and 5525 (Swift Boat Veterans). More recently, the Commission applied Section 100.22(b) in some cases (e.g., MUR 5854 (Lantern Project) and MUR 6073 (Patriot Majority)), but disagreed about its application in others (e.g., MUR 5842 (Economic Freedom Fund)). With one exception,⁸ the

⁷ Commissioners have, however, expressed misgivings about the potentially open-ended nature of the policy. See, e.g., Statement of Reasons of Commission McGahn in MUR 5831 (Softer Voices).

⁸ In one matter, one group of Commissioners indicated that 11 C.F.R. § 100.22(b) may not be applied in the Fourth Circuit under *Virginia Society for Human Life, Inc.* See MURs 5694 and 5910 (Americans For Job Security), Statement of Reasons of Commissioners Petersen, Hunter, and McGahn. However, another group of Commissioners took the contrary view, voting instead to find express advocacy under Section 100.22(b). See MURs 5694 and 5910 (Americans For Job Security), Statement of Reasons of Commissioners Walther, Bauerly, and Weintraub. Regardless of the merits of either position prior to *Real Truth*, we of course agree that *Virginia Society for Human Life* no longer controls, and the Fourth Circuit has declared that 11 C.F.R. § 100.22(b) may be applied within the Fourth Circuit.

current Commissioners have treated Section 100.22(b) either as valid and applicable, or have at least assumed the provision's validity for purposes of enforcement matters.

The Complaint seems to argue that the Fourth Circuit somehow replaced the existing language of 11 C.F.R. § 100.22(b) with a looser standard that simply asks whether "in the estimation of any reasonable person," the communication "would constitute advocacy." Complaint at 4. Complainant's suggestion is unquestionably wrong. The Fourth Circuit did not rewrite or reinterpret Section 100.22(b) – it simply upheld the constitutionality of that provision.⁹

2. Express Advocacy and its Functional Equivalent

In the course of upholding the constitutionality of Section 100.22(b), the Fourth Circuit engaged in a somewhat confusing discussion of the express advocacy and functional equivalent concepts. Specifically, the Court appears to accept that language that is "the functional equivalent of express advocacy" *actually is* "express advocacy," or at least may be treated as one and the same. However, in doing so, the court removes the "functional equivalent" standard from its electioneering communications moorings, which were previously thought, at least by some, to be crucial in ensuring the clarity and precision that *Buckley* requires.

According to the Fourth Circuit, "*Citizens United* also supports the Commission's use of a functional equivalent test in defining 'express advocacy.'" *Real Truth*, slip op. at 13. Going further, the court also asserts (incorrectly, we believe) that "the Supreme Court has recognized use of the functional-equivalent test to define 'express advocacy' wherever the term is used in the election laws. *See, e.g., Citizens United*, 130 S. Ct. at 915." *Id.* at 16. There is no language on page 915 of *Citizens United v. FEC*, 130 S. Ct. 876 (2010) that actually supports this declaration.¹⁰

⁹ In fact, a standard similar to what Complainant suggests was already offered to the Supreme Court and rejected. During oral argument in *Wisconsin Right to Life II*, Seth Waxman (representing BCRA's Congressional sponsors as *amici*) suggested a test that asked if "a reasonable voter in the targeted electorate [could] have understood that this ad was in part promoting, attacking, supporting, or opposing." Oral Argument in *FEC v. Wisconsin Right To Life, Inc.*, Apr. 25, 2007, Official Transcript at 23. The Court, of course, adopted a much different standard. *See also* Statement of Reasons of Commissioners Petersen and Hunter in MUR 5842 (Economic Freedom Fund) at 10 n.31 ("[N]either a court nor this Commission has ever held that something other than 'express advocacy' can be used to define 'expenditure.' ... Furthermore, neither the Commission nor Congress can apply a non 'bright-line' test such as 'promote, support, attack, or oppose' to the uncoordinated communications of non-profit groups or other corporations."); Supplemental Explanation and Justification on Political Committee Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) ("Neither BCRA, McConnell, nor any other legislative, regulatory, or judicial action has eliminated (1) The Supreme Court's express advocacy requirement for expenditures on communications made independently of a candidate or (2) the Court's major purpose test.").

¹⁰ What the Supreme Court concluded at 130 S.Ct. 876, 915 of *Citizens United* was that the electioneering communications disclosure provisions could be applied to all electioneering communications, not just

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If the Fourth Circuit's decision changes the law in any way, it is in actually taking the (perhaps abstract) step of conflating the "functional equivalent" test of *WRTL II* with the version of the express advocacy test found at 11 C.F.R. § 100.22(b). Many have wondered about the difference between the two standards, and the Fourth Circuit now provides an answer to that question, although we suspect that other courts could easily reach a different conclusion. The Fourth Circuit notes that "the language of § 100.22(b) does not exactly mirror the functional equivalent definition in *Wisconsin Right to Life*," but "the differences between the two tests are not meaningful." *Real Truth*, slip op. at 15. Contradicting itself in the very next sentence of the opinion, however, the court notes that "the test in § 100.22(b) is likely narrower than the one articulated in *Wisconsin Right to Life*..." *Id.*; see also *id.* at 19 (noting that one portion of Section 100.22(b) "is essentially a more stringent version of the relevant language from *Wisconsin Right to Life*'s 'functional equivalent' test"). Thus, in the Fourth Circuit's estimation, the two tests have no meaningful differences, except that one is narrower than the other – which would seem to be a rather meaningful difference.

In any event, the Fourth Circuit characterizes Section 100.22(b) as a "functional equivalent" test, and as such, concludes that it may be applied constitutionally to the organization Real Truth About Abortion. *Real Truth*, slip op. at 16. With respect to the Court's assertions and conclusions about functional equivalency, or its characterizations of *Citizens United*, we do not believe either is determinative of the matter pending before the Commission.

Whatever the court is attempting to articulate about Section 100.22(b), express advocacy, and the functional equivalent of express advocacy, it did not rewrite any regulatory provisions, as Complainant seems to suggest. The Fourth Circuit makes clear that "§ 100.22(b) applies solely to communications that 'could *only* be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate(s)' and where '[r]easonable minds *could not differ* as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s) or encourages some other kind of action.'" *Real Truth*, slip op. at 16 (emphasis in original). Stated differently, 11 C.F.R. § 100.22(b) continues to mean exactly what

those that were the functional equivalent of express advocacy. The Fourth Circuit may be drawing on the following language found in the District Court's 2011 opinion: "Furthermore, in *Citizens United*, the Supreme Court applied the appeal-to-vote test to an electioneering communication without ever stating that the advertisement's status as an electioneering communication was a prerequisite to application of the test." *Real Truth About Obama, Inc. v. FEC*, 796 F. Supp. 2d 736, 748 (E.D.Va. 2011). True enough, but the Supreme Court did observe that "Citizens United wanted to make Hillary available through video-on-demand within 30 days of the 2008 primary elections." *Citizens United*, 130 S. Ct. at 888. The status of *Hillary: The Movie* as an electioneering communication was a material fact in *Citizens United*. Additionally, the district court's conclusion disregards Chief Justice Roberts very plain statement that the functional equivalent test applies *only* in the electioneering communications context: "And keep in mind this test is only triggered if the speech meets the brightline requirements of BCRA § 203 in the first place." *WRTL II* at 474 n.7.

it says, and most certainly has not been replaced by Complainant's "reasonable estimation" shorthand, or otherwise reconstrued or reinterpreted. In addition, the requirement in Section 100.22(b) that a communication contain an unmistakable and unambiguous electoral portion that is suggestive of only one meaning remains unaltered.

3. Classifying "Change" And "Survivor"

Complainant asserts that with respect to both advertisements at issue in *Real Truth* ("Change" and "Survivor"), "[t]he Fourth Circuit upheld the FEC's determination that both of these ads constitute the functional equivalent of 'express advocacy' the [sic] bore directly on the major purpose of the organization." Complaint at 4. (We assume Complainant means to refer to the *District Court's* determination, and not the *FEC's* determination, as the FEC's position throughout the litigation was that the "Change" ad did not include express advocacy under Section 100.22(b).¹¹)

Complainant's confusion notwithstanding, it is admittedly unclear how exactly the Fourth Circuit classifies these two advertisements. The Fourth Circuit affirmed the District Court's decision, which concluded that "'Change' is plainly the functional equivalent of express advocacy," and "'Survivor' is more obviously the functional equivalent of express advocacy.'" *Real Truth About Obama, Inc. v. FEC*, 796 F. Supp. 2d 736, 749-750 (E.D. Va. 2011). The district court also concluded that "if the FEC deemed 'Change' and 'Survivor' express advocacy using § 100.22(b), that application would not be unconstitutional." *Id.* at 750. The Fourth Circuit, however, notes:

If anything, the disagreement to which *Real Truth* alludes confirms the Commission's judgment that 'Change' does not meet the requirements of § 100.22(b), since both the Commission and the district court are rational minds and § 100.22 applies only when reasonable people could not disagree about a communication's status.

Real Truth, slip op. at 19.

Thus, the Fourth Circuit affirmed the district court's ruling that both advertisements are "the functional equivalent of express advocacy," but also indicated that the Commission may have been correct in determining that "Change" does not contain express advocacy under Section 100.22(b). If both the District Court and the FEC were correct about "Change," it necessarily

¹¹ See *Real Truth About Obama, Inc. v. FEC*, 2008 U.S. Dist. LEXIS 73551 at *15-16, 2008 WL 4416282 (E.D. Va. Sept. 24, 2008) ("In Defendant FEC's response, the FEC states that Plaintiff's ad, 'Change,' would not fall under the express advocacy definition, either (a) or (b), therefore there is no viable threat of litigation."); see also FEC's Memorandum In Opposition To Plaintiff's Motion For Preliminary Injunction at 12, filed in *Real Truth About Obama, Inc. v. FEC* (Aug. 14, 2008).

means that the “functional equivalent” test and Section 100.22(b) are *not* the same test, which would, in turn, be consistent with the court’s observations that Section 100.22(b) is narrower than the *WRTL II* standard, but inconsistent with the Fourth Circuit’s apparent belief that the two tests are one and the same. In sum, while we are not convinced that the Fourth Circuit’s analysis adds up to its conclusions, and are certain that the decision provides inadequate guidance to the Commission and the regulated community, the court’s essential holding is plain: Section 100.22(b) may be applied constitutionally.

4. *Real Truth’s* “Bottom Line”

Nothing in the Fourth Circuit’s opinion compels the FEC to do anything differently or take any particular action against any particular party. *Real Truth About Obama/Abortion* never actually aired its two advertisements, so we *will not* see that organization register with the FEC as a political committee as a result of the Fourth Circuit’s decision in this “test case.” The view advanced by Complainants and other partisans¹² that *Real Truth* somehow ushers in a new legal era for Section 501(c)(4) organizations that distribute limited express advocacy communications (such that campaign activity does not constitute their “major purpose”), or somehow grants the FEC new powers, is simply not supported by any fair or reasonable reading of the decision, to the extent that such a reading is even possible.

B. Crossroads GPS Is Not A “Political Committee” Under The FEC’s Two-Part Test

Complainant devotes an entire page of its seven-page complaint to “proving” that Crossroads GPS meets the first part (*i.e.*, the statutory portion) of the FEC’s two-part “political

¹² See, e.g., Rick Hasen, Breaking News: 4th Circuit Upholds FEC’s “Major Purpose” Test for Political Committees, Subjecting Groups Like Crossroads GPS to Potential Liability for Not Registering as Super PACs, *Election Law Blog* (June 12, 2012) available at <http://electionlawblog.org/?p=35602>. See also *supra* footnote 2. Some news outlets immediately bought into this spin. See, e.g., Seth Cline, Obama Campaign Wants Names of Donor’s From Karl Rove’s Group, *U.S. News & World Report* (June 20, 2012) (“That ruling opened the door for complaints or requests that certain groups be subjected to the FEC’s test on whether they are political.”) available at <http://www.usnews.com/news/articles/2012/06/20/obama-campaign-wants-names-of-donors-from-karl-roves-group>; Gavin Aronsen, Obama Campaign to Rove: Reveal Your Secret Donors, *Mother Jones* (June 20, 2012) (“the 4th Circuit of Appeals ruled that the government must determine what are the ‘major purpose’ of groups like Karl Rove’s dark-money outfit Crossroads GPS, whose status is a 501(c)(4) ‘social welfare’ nonprofit”); Peter Overby, Democrats Say Anonymous Donors Unfairly Influencing Senate Races, *National Public Radio* (July 10, 2012) (“But last month, a federal appeals court in Richmond, Va., said the FEC has the power to tell a social welfare organization that it’s advertising like a political committee and it has to play by those rules.”) available at <http://www.npr.org/blogs/itsallpolitics/2012/07/10/156513734/democrats-say-anonymous-donors-unfairly-influencing-senate-races>.

committee” test. Crossroads GPS has previously acknowledged making express advocacy communications, and those acknowledgments are reflected on publicly-available independent expenditure reports filed with the Commission. Crossroads GPS has never disputed that it “makes expenditures aggregating in excess of \$1,000 during a calendar year.”

Complainant next alleges that Crossroads GPS satisfies the “major purpose” element of the Commission’s two-part test because whatever communications or activities Crossroads GPS maintains are not “election-related” actually are “election-related” because, circularly, “only willful blindness could lead anyone to deny or doubt that Crossroads’ ‘major purpose’ is to influence national elections.” See Complaint at 3-4. Complainant is incorrect. **Crossroads GPS’s major purpose is advancing its policy and legislative agenda through grassroots communications and outreach.**

1. *Political Committee Test: Expenditures*

The Complaint asserts that “Crossroads’ ‘issue advocacy’ consists overwhelmingly of communications to influence the outcome of elections.” *Id.* at 4. The Complaint tends to conflate the question of whether Crossroads GPS’s advertisements are “for the purpose of influencing an election” with the major purpose question, essentially arguing that because Complainant concludes Crossroads GPS’s advertisements are intended to influence elections, its major purpose must be election activity. To the extent possible, we have attempted to address the two questions separately, although to some extent, they will always be intertwined.

a. *Applicable Standards*

Contrary to Complainant’s assertions, however, none of the four advertisements identified in the Complaint, and which Complainant alleges are “illustrative” of Crossroads GPS’s overall output, contains any express advocacy or its functional equivalent. As is well established, the dividing line between “issue advocacy” and “express advocacy” is determined according to one or more of the following standards, none of which are satisfied by the advertisements cited by Complainant:

- *Buckley* express advocacy (11 C.F.R. § 100.22(a));
- *Furgatch* express advocacy (11 C.F.R. § 100.22(b)); and/or
- *WRTL II* “functional equivalent” express advocacy.¹³

¹³ While we believe the best reading of the case law limits the application of the “functional equivalent” concept to communications that satisfy the statutory definition of “electioneering communication,” meaning that non-electioneering communications are judged only by 11 C.F.R. § 100.22, we acknowledge that some decisions, including *Real Truth*, appear to apply the “functional equivalent” concept outside the electioneering communication context. However, assuming *arguendo* that Section

Buckley, or “magic words,” express advocacy means:

any communication that ... [u]ses phrases such as “vote for the President,” “re-elect your Congressman,” “support the Democratic nominee,” “cast your ballot for the Republican challenger for U.S. Senate in Georgia,” “Smith for Congress,” “Bill McKay in '94,” “vote Pro-Life” or “vote Pro-Choice” accompanied by a listing of clearly identified candidates described as Pro-Life or Pro-Choice, “vote against Old Hickory,” “defeat” accompanied by a picture of one or more candidate(s), “reject the incumbent,” or communications of campaign slogan(s) or individual word(s), which in context can have no other reasonable meaning than to urge the election or defeat of one or more clearly identified candidate(s), such as posters, bumper stickers, advertisements, etc., which say “Nixon’s the One,” “Carter '76,” “Reagan/Bush,” or “Mondale!”

11 C.F.R. § 100.22(a).

Furgatch express advocacy means:

any communication that ... [w]hen taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate(s) because – (1) The electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and (2) Reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s) or encourages some other kind of action.

11 C.F.R. § 100.22(b).

Finally, Chief Justice Roberts’ test for identifying the “functional equivalent of express advocacy” instructs:

a court should find that an ad is the functional equivalent of express advocacy only if the ad is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate. Under this test, WRTL’s three ads are plainly not the functional equivalent of express advocacy. First, their content is consistent with that of a genuine issue ad: The ads focus on a legislative issue, take a position on that issue, exhort the public to adopt that position, and urge the public to contact public officials with respect to the matter. Second, their content lacks indicia of express advocacy: The ads do not mention an election, candidacy, political party, or challenger; and they do not take a position on a candidate’s character, qualifications, or fitness for office.

100.22(b) and the *WRTL II* functional equivalent standard are basically the same test and, more importantly, yield the same result in nearly all cases, we doubt that the resolution of this matter turns on whether the functional equivalent standard is applicable or not.

WRTL II, 551 U.S. at 469-470. Chief Justice Roberts also specifically tied the “functional equivalent” concept to the time periods contained in BCRA’s electioneering communications provision. *See id.* at 474 n.7 (“And keep in mind this test is only triggered if the speech meets the brightline requirements of BCRA § 203 in the first place.”). Subsequently, in *Citizens United*, the electioneering communications time periods were factors in the Court’s determination that “*Hillary: The Movie*” contained the functional equivalent of express advocacy. *See Citizens United*, 130 S. Ct. at 888 (“Citizens United wanted to make *Hillary* available through video-on-demand within 30 days of the 2008 primary elections.”).

b. Application to Referenced Advertisements

Complainant suggests that the four cited advertisements include an “appeal for a ‘new majority,’” by which we assume Complainant alleges that the ads include an “appeal to vote,” but this strained reading is faulty on its face. Specifically, Complainant alleges, “Crossroads [GPS] has built all the ads in question around the promise of building ‘a new majority,’” and “Crossroads [GPS] weaves this appeal for a ‘new majority’ creating ‘change in Washington[.]’ throughout its so-called issue advocacy” Complaint at 4. Complainant suggests that Crossroads GPS’s call to support its “New Majority Agenda” is some sort of code for an “appeal for a ‘new majority.’” Complaint at 4.

Complainant’s allegations misrepresent Crossroads GPS’s advertisements. Crossroads GPS’s advertisements generally identify positions or votes taken by elected representatives that might be changed with sufficient grassroots pressure,¹⁴ thereby furthering the *New Majority Agenda*, which itself is highlighted at the end of advertisement so that viewers will, hopefully, visit the Crossroads GPS website to learn more. Complainant, however, claims that “viewers are directed to further information that makes clear that the ‘new majority’ will bring ‘change’ to Washington.” Complaint at 4. Complainant picks and chooses words from Crossroads GPS’s advertisement, inserts them into Complainant’s own framework which is fundamentally different

¹⁴ As Crossroads GPS Communication Director Jonathan Collegio explained in the December 14, 2011, *Huffington Post* article cited by Complainant:

We believe that advocating on public policy issues being considered in Washington is one of the most important rights guaranteed by the Constitution, and are thankful it has been upheld by the Supreme Court.... The most effective issue advocacy usually focuses on Members who are considered most likely to be swayed in an issue debate. Last summer, Crossroads GPS spent more than \$15 million advocating for a debt limit solution that cut spending while not raising taxes, by running ads in states whose Representatives and Senators were thought to be persuadable. The result was a deal that achieved virtually all that we were advocating for, even though President Obama was pushing hard in the other direction.

The allegedly damning statement quoted by Complainant as “captur[ing] the Crossroads purpose” (“We want Ben Nelson to recognize that 2012 will be an extraordinarily grueling proposition in the case he decides to run.”) was intended to convey the undeniable fact that Senator Nelson’s recent votes in the Senate were unpopular with many Nebraskans.

from Crossroads GPS's original statement, and asserts that this new revised version satisfies the "appeal to vote" test. In other words, Complainant lacks the facts needed to make its case, so it simply makes them up.

The Complaint includes the very language that makes clear that Complainant has materially altered and fraudulently presented Crossroads GPS's advertisements: "Don't miss out on the opportunity to shape and achieve a New Majority Agenda that will change Washington and America for the better." The language used by Crossroads GPS speaks for itself; Complainant's effort to rewrite Crossroads GPS's script reveals only the weakness of Complainant's case and Complainant's apparent willingness to misrepresent Crossroads GPS both to the media and to the Commission.

The identified advertisements call on viewers to "Support the New Majority Agenda at newmajorityagenda.org," which is discussed in further detail below. There are no words of electoral advocacy, and no language that could only be interpreted as urging electoral advocacy, in any of the advertisements identified by Complainant.

- The first advertisement cited by Complainant notes that Congressman Joe "Donnelly has voted for trillions of Barack Obama's wasteful spending.... Tell Donnelly, stop spending and cut the debt. Support the New Majority Agenda, at NewMajorityAgenda.org."
- The second advertisement notes that "Senator Claire McCaskill was a key Obama Adviser in passing his failed 1.18 trillion dollar stimulus. . . . While in Missouri, 16,000 have lost their jobs. Tell Claire to help Missouri, stop reckless spending and cut the debt. And support the New Majority Agenda at NewMajorityAgenda.org."
- The third advertisement notes that "Instead of being an independent voice for Montana, [Senator] Tester's voted for Barack Obama's policies 95% of the time . . . Tell Tester: stop spending money we don't have, cut the debt. Support the New Majority Agenda at NewMajorityAgenda.org."
- The fourth advertisement discusses the national debt and ends with the following call to action: "Tell Obama: stop the spending. Support the New Majority Agenda at NewMajorityAgenda.org."

As noted previously, the "New Majority Agenda"¹⁵ is the organization's 2012-2013 platform for legislative and policy change that urges the following:

1. *Restore America's energy leadership*

- End the Obama Administration's constant interference with domestic energy development.

¹⁵ Crossroads GPS's policy and legislative agenda was detailed first in its "7 in '11 National Action Plan," released on August 19, 2010, approximately one month after the organization's inception. See Exhibit B. The "7 in '11" plan was replaced with the 2012-2013 New Majority Agenda on January 27, 2012.

- Repeal job-killing EPA regulations and replace them with pro-growth, pro-environment alternatives.
- Make America's energy infrastructure the most efficient, productive, and technologically advanced in the world.

2. *Ensure quality healthcare for seniors and families*

- Replace ObamaCare with reforms that preserve Americans' access to their doctors, enhance the use of health care information technology, lower health insurance costs, and improve the quality of care that families receive.
- Protect seniors from the Obama Administration's Medicare cuts, which degrade the quality of their care and threaten their relationships with their doctors.

3. *Break the regulatory chokehold on economic recovery*

- Impose a moratorium on regulatory attacks against employers by the NLRB, Department of Labor, National Mediation Board, and other union-boosting government agencies.
- Order a top-down review of Dodd-Frank and freeze every provision that would curtail consumer access to credit, drive up consumer costs, or deny consumers a breadth of choices and products.

4. *Clean up Washington's downgraded finances*

- Turn off the spigot of wasteful "stimulus" spending, "green jobs" giveaways, and special interest bailouts.
- Investigate the Obama Administration's "cash for cronies" culture and impose tough financial controls on agencies that mismanage grant and loan funds.
- Drive down domestic discretionary spending to pre-Obama Administration levels.
- Reform entitlement spending to ensure the long-term financial security of these programs.

5. *Craft a lean, pro-growth tax system*

- Redesign the tax code to make American business more competitive and productive, and make tax compliance easier and fairer for job creators and individuals alike.

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- Block President Obama's insistence on raising taxes on families, businesses, and consumers.

6. *Make America a respected global leader again*

- Protect America from international threats and instability through revived relationships with long-standing allies, a renewed commitment to national security, and proactive, strategic diplomacy.
- Develop a consistent, forward-leaning strategy of global engagement to expand foreign markets for American goods and services, and secure vital resources to drive American industry.

See Crossroads GPS 2012-2013 New Majority Agenda *available at* <http://www.crossroadsgps.org/issues/> and attached as Exhibit C; Steven Law, Crossroads GPS presents agenda for new majority, Politico (Jan. 26, 2012) *available at* <http://www.politico.com/news/stories/0112/72031.html>.¹⁶

Beneath each proposal are lengthy lists of legislative items that Crossroads GPS supports or opposes. Visitors to the website are encouraged to "Take Action" via the Crossroads GPS Grassroots Action Center, where persons may easily contact their elected officials to tell them to support certain policies featured in the New Majority Agenda or the New Majority Agenda in its entirety.

Setting aside Complainant's phony restatement of Crossroads GPS's message, the Complaint fails to identify the "electoral advocacy that is clear under the terms of the FEC regulations," and which supposedly appears throughout all of Crossroads GPS's communications.¹⁷ See Complaint at 7. Instead, Complainant claims that calling on the public to

¹⁶ Issue advocacy organizations have long crafted agendas similar to the "7 in '11 National Action Plan" and "New Majority Agenda." For example, the Sierra Club lists a series of "objectives" on its "Goals" webpage, on which it highlights its "Climate Recovery Partnership." These "Goals" include: (1) moving beyond coal; (2) moving beyond oil; (3) stopping fracking; (3) promoting the "Sierra Club Water Sentinels"; and (4) protecting wildlife habitat from climate change. See <http://www.sierraclub.org/goals/>. The Sierra Club, unlike Crossroads GPS, also has a "2012 Decisions" page which includes endorsements of dozens of Democratic candidates. See <http://www.sierraclub.org/politics/>.

The Natural Resources Defense Council provides a listing of "Priority Issues" on its website. See <http://www.nrdc.org/issues/>.

¹⁷ As two Commissioners previously explained, "[i]t is unclear how a communication can be said to contain an electoral portion if the communication ... includes no references to a candidacy, an election opponent, or any other language regarding the federal election process." See Statement of Reasons of Commissioners Petersen and Hunter in MUR 5842 (Economic Freedom Fund) at 12.

contact its elected representatives to support a detailed legislative agenda for policy change is really just an “appeal for a ‘new majority’” – at least when the sponsor is Crossroads GPS, which “everyone knows” is really a “political committee.” In Complainant’s view, fact-based critiques of the voting records of Members of Congress necessarily have an “electoral purpose.” And in Complainant’s view, apparently no amount of work on legislation, policy, and grassroots advocacy could ever overcome the “the fiction that it is a ‘social welfare’ charity”¹⁸ – at least as long as Crossroads GPS is at issue. Complainant is apparently impervious to anything even resembling a reasoned analysis in this matter, which is rather ironic in light of Complainant’s reference to “willful blindness” on page 3 of the Complaint.

Complainant’s arguments bear a striking resemblance to arguments rejected in *WRTL II*:

Despite these characteristics [of genuine issue advocacy], appellants assert that the content of WRTL’s ads alone betrays their electioneering nature. Indeed, the FEC suggests that any ad covered by § 203 that includes “an appeal to citizens to contact their elected representative” is the “functional equivalent” of an ad saying defeat or elect that candidate. . . . We do not agree. . . . Issue advocacy conveys information and educates. An issue ad’s impact on an election, if it exists at all, will come only after the voters hear the information and choose – uninvited by the ad – to factor it into their voting decisions.

The FEC and intervenors try to turn this difference to their advantage, citing McConnell’s statements “that the most effective campaign ads, like the most effective commercials for products . . . , avoid the [Buckley] magic words [expressly advocating the election or defeat of a candidate],” . . . and that advertisers “would seldom choose to use such words even if permitted,” An expert for the FEC in these cases relied on those observations to argue that WRTL’s ads are especially effective electioneering ads because they are “subtl[e],” focusing on issues rather than simply exhorting the electorate to vote against Senator Feingold. . . . Rephrased a bit, the argument perversely maintains that the *less* an issue ad resembles express advocacy, the more likely it is to be the functional equivalent of express advocacy. This “heads I win, tails you lose” approach cannot be correct. . . . Under appellant’ views, there can be no such thing as a genuine issue ad during the blackout period – it is simply a very effective electioneering ad.

WRTL II, 551 U.S. at 470-472.

There is simply no express advocacy to be found in the four advertisements cited by Complainant.

¹⁸ Complainant repeatedly refers to Crossroads GPS as a “charity.” Crossroads GPS is organized under Section 501(c)(4), and is not, and has never claimed to be, a Section 501(c)(3) charitable organization. We presume that Complainant’s counsel is aware of the difference between the two types of organizations and is attempting to invoke the IRS’s stricter limitations on “political activity” that apply to charitable organizations. These differences have no bearing on the legal issues before the FEC.

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c. Recent Precedent Indicates Referenced Advertisements Do Not Contain Express Advocacy

Recent enforcement precedent makes clear that these advertisements do not contain express advocacy. In 2009, the Commission determined that the Lantern Project's series of ads on Rick Santorum's record ("What is he thinking?") did not contain express advocacy under either Section 100.22(a) or 100.22(b). See MUR 5854 (Lantern Project), Factual and Legal Analysis. The Commission agreed that:

[E]ach of [the ads] is critical of Santorum, but at the same time, they focus on issues, and never mention Santorum's candidacy or his political opponent. Finally, the ads contain no exhortations that a viewer would understand as urging action for Santorum's election. . . . While the communications clearly indicate that the Lantern Project disagrees with Santorum's policies on various issues, it does not tell readers to vote for Santorum, and does not identify him as a candidate for the office of Senate. Moreover, the communication's electoral portion is not "unmistakable, unambiguous, and suggestive of only one meaning"; and reasonable minds could differ as to whether it encourages electoral, or some other action. . . . While the ads appear to have been broadcast in the months preceding the general election, the overwhelming focus of the communication is on issues and Santorum's policies or positions on those issues.

Id. at 5-6. (In MUR 5854, Respondent was represented by the same law firm that represents Complainant in this matter. The Complaint in that matter was filed by two of the "aspiring censors" to which Mr. Bauer referred on his blog in 2007. Ironically, the Respondent in MUR 5854 was also subjected to a headline-grabbing complaint that presented a fanciful vision of the law and urged the Commission to adopt new standards for determining "political committee" status. In their response, counsel for the Lantern Project referred to the complaint as "a petition for rulemaking in disguise" and noted that "[t]he sufficiency of the Complaint depends entirely on a misreading of the express advocacy standard." The Response in MUR 5854 also notes that "the Complaint's basic premise – that an organization becomes a political committee when it criticizes federal candidates, simply because of its tax status – is false.")

In 2011, the Commission unanimously dismissed the complaint in MUR 6311 (Americans for Prosperity), finding that none of the complained-of advertisements included express advocacy under either Section 100.22(a) or (b). The ads in question "first aired June 9, 2010, the day following primary election victories by those members, and ran in each congressional district for one week." Factual and Legal Analysis in MUR 6311 at 2. The ads referenced three Members of the House of Representatives, Dana Titus, Earl Pomeroy, and Tom Pierriello, and followed the following script:

Americans opposed the healthcare takeover, but [House member] ignored us and voted with Nancy Pelosi for big government healthcare.

The cost?

One trillion dollars.

What did you get?

Five-hundred billion dollars in Medicare cuts, tax hikes on businesses, and thousands of jobs lost.

And now, a non-partisan congressional committee says people making less than \$200,000 will pay more in taxes.

[House member] cast [his] vote. Tell [him we] won't forget.

Id. In addition, “[t]he closing visual also displays a photo of the House member, a phone number to the member’s congressional office, and the website address, www.novemberiscoming.com.”

Id. at 3. “The www.novemberiscoming.com website referenced in the ad belongs to AFP, and includes a petition addressed to ‘Policymakers, Elected Officials, and Candidates,’ for visitors to complete.” *Id.* The Commission concluded unanimously that these advertisements contained no express advocacy under 11 C.F.R. §§ 100.22(a) or (b). The Commission concluded, “The exhortation ... does not direct viewers to vote against the incumbent and may reasonably be understood to be requesting a different position on future legislative votes relating to the issue of healthcare.” *Id.* at 6.

It is difficult to see how the Commission could consistently apply the same analysis used in MURs 5854 and 6311 to the Crossroads GPS advertisements dubbed “illustrative” by Complainant and not reach the same conclusion on the question of express advocacy.

Thus, to the extent that Complainant alleges that these four “illustrative” advertisements contain either express advocacy or its functional equivalent, and by extension that all of Crossroads GPS’s other advertisements must also contain express advocacy or its functional equivalent, that allegation is unsupported by any facts, incorrect, and utterly contrary to applicable law.

None of the four advertisements cited in the Complaint contains express advocacy under 11 C.F.R. 100.22(a) or (b). Rather, all four advertisements (and every other advertisement Crossroads GPS has publicly distributed and not reported to the Commission as an independent expenditure) perfectly fit Chief Justice Roberts’ description of ads that:

are plainly *not* the functional equivalent of express advocacy. First, their content is consistent with that of a genuine issue ad: The ads focus on a legislative issue, take a position on that issue, exhort the public to adopt that position, and urge the public to contact public officials with respect to the matter. Second, their content lacks indicia of

express advocacy: The ads do not mention an election, candidacy, political party, or challenger; and they do not take a position on a candidate's character, qualifications, or fitness for office.

WRTL II, 551 U.S. at 469-470 (emphasis added).

We submit that the advertisements referenced by Complainant present a clear template for grassroots issue advocacy that is logically directed to those Members of Congress who are most persuadable – namely, those Members whose views and votes are not representative of the views and policy preferences of the majority of the citizens they represent.

As noted above, Crossroads GPS has acknowledged making independent expenditures in the past, and all of those independent expenditures have been reported to the Commission. The remainder of Crossroads GPS's communications were *not* reported to the FEC as independent expenditures because they did not contain express advocacy or its functional equivalent.

2. Political Committee Test: Major Purpose

Complainant identifies four of Crossroads GPS's advertisements and claims that the four ads "leave no doubt about [Crossroads GPS's] electoral purpose." Complaint at 4. As noted above, however, these four ads have no identifiable "electoral portion." Complainant nevertheless advances what the Supreme Court dubbed a "'heads I win, tails you lose' approach" in *WRTL II*. In other words, even though these four ads do not contain express advocacy or its functional equivalent, Complainant (we think) argues that the ads *nevertheless* serve as evidence that Crossroads GPS's major purpose is the nomination, election, or defeat of Federal candidates.

a. The Advertisements Identified By Complainant Are Genuine Grassroots Issue Advocacy

Complainant alleges that Crossroads GPS's advertisements follow "a clear political template." This is not a recognized legal standard, and is simply an attempt to import an entirely subjective and undefined "we know it when we see it" standard into the major purpose determination. As noted above, if Crossroads GPS's advertisements do not contain express advocacy (or its functional equivalent), then they are genuine grassroots issue advocacy communications as a matter of law, as determined by the Supreme Court in *WRTL II*. Genuine grassroots issue advocacy communications cannot, by their very definition, demonstrate that Crossroads GPS's "major purpose" is campaign activity. Genuine issue advocacy does not fall on the "campaign activity" side of the ledger in the FEC's comparative major purpose analysis. To suggest otherwise is to take the position that what Part One of the political committee test grants, Part Two takes away. This is not how the major purpose test has ever functioned in the past.

As the Commission itself has previously acknowledged, “the major purpose test serves as an additional hurdle to establishing political committee status.” *Supplemental Explanation and Justification*, 72 Fed. Reg. 5595, 5601 (Feb. 7, 2007). See also *id.* at 5602 (“[E]ven if the Commission were to adopt a regulation encapsulating the judicially created major purpose doctrine, that regulation could only serve to limit, rather than to define or expand, the number of type of organizations regarded as political committees. The major purpose doctrine did not supplant the statutory ‘contribution’ and ‘expenditure’ triggers for political committee status, rather it operates to limit the reach of the statute in certain circumstances.”). The major purpose standard cannot be used to capture that which the statutory provisions exclude.

b. The Irrelevance of Timing and “Targeting”

In addition to its content-based arguments, Complainant also asserts that Crossroads GPS’s major purpose is discernible because “communications are directed to swing or battleground states, further underscoring their electoral purpose.” Complaint at 6. *WRTL II* has already rejected the notion that this sort of subjective intent inquiry can reveal the supposed “true nature” of an advertisement. For example, in *WRTL II*, the Court explained:

the FEC and intervenors seize on the timing of WRTL’s ads. They observe that the ads were to be aired near elections but not near actual Senate votes on judicial nominees, and that WRTL did not run the ads after the elections. To the extent this evidence goes to WRTL’s subjective intent, it is again irrelevant. To the extent it nonetheless suggests that the ads should be interpreted as express advocacy, it falls short. . . . In any event, a group can certainly choose to run an issue ad to coincide with public interest rather than a floor vote. . . . Given the standard we have adopted for determining whether an ad is the “functional equivalent” of express advocacy, contextual factors of the sort invoked by appellants should seldom play a significant role in the inquiry.

WRTL II, 551 U.S. at 472-474; see also *Real Truth*, slip op. at 19 (“*Wisconsin Right to Life* simply held that the timing of speech cannot be used as a proxy for a speaker’s intent.”).

The entirely legitimate issue advocacy-related reasons for airing issue advertisements at certain times and directing those ads to certain elected officials were taken into account by the Supreme Court when it considered *WRTL II*. Justice Kennedy noted at oral argument, “I think it’s accepted, that the public only tunes in to the political dialogue shortly before an election. That’s the time in which you – in which you reach the public.” Oral Argument in *FEC v. Wisconsin Right To Life, Inc.*, Apr. 25, 2007, Official Transcript at 14.

In addition, the following exchange between Justice Scalia and Solicitor General Clement during oral argument is also instructive, and demonstrates that the Court took into account the idea that genuine issue advocacy is often directed to elected officials who do not occupy “safe seats”:

Scalia: The Senator who is, who is at risk is likely, is likely to listen. The Senator who has a safe seat is not.

Clement: No doubt that's true. But I think it also implicates the, the interests of Congress in the statute that this Court recognized and upheld it on its face. When, when the whole point is, we're not just interested in this issue in the abstract, and we're not running this issue just because there's a pending vote in Congress; we're interested in running this ad because it's a pretty effective vehicle both to defeat this candidate's reelection chances, but if we don't succeed on that maybe we'll convince him to change his mind.

Scalia: You can't tell which of the two they had in mind. Whether they wanted the Senator defeated or they wanted to put enough pressure on the Senator that he would change his vote with regard to the filibuster. I would think that the latter is more likely the motive than the former. And why do you assume the worst?

Oral Argument in *FEC v. Wisconsin Right To Life, Inc.*, Apr. 25, 2007, Official Transcript at 17-18.

In *WRTL II*, the Court ultimately adopted an objective test that focused on the actual language used in the advertisements, and taking into consideration only the most basic of contextual factors. See *WRTL II*, 551 U.S. at 474 n.7 (“there can be no free-ranging intent-and-effect test”) and 473-474 (“contextual factors of the sort invoked by appellants should seldom play a significant role in the inquiry. Courts need not ignore basic background information...”). Subjective intentions, such as those alleged by the Complainant, were deemed by the Court to be inappropriate considerations.¹⁹ Alleged subjective intentions are similarly not appropriate considerations in the context of determining an organization's major purpose. Rather, the major purpose standard is limited to considerations of what an organization actually says and does.

c. The Fourth Circuit Left The FEC's Political Committee Status Policy Unchanged

Contrary to Complainant's characterizations on page 6 of the Complaint (“[a]s the Fourth Circuit in *Real Truth* emphasized...”), the Fourth Circuit *did not* prescribe any new standards for measuring an organization's “major purpose,” and the standard itself was not substantively transformed by the lesser standard of review applied by the Court. Complainant asserts that “[t]he test rests on a contextual inquiry, taking all facts into account in the particular case. The sweep of the analysis is shaped by the regulatory interest – not to cease speech but to achieve

¹⁹ See also *Real Truth*, slip op. at 18 (“subjective intent is already an impermissible consideration under both” Section 100.22(b) and *WRTL I*'s functional equivalent test); *Real Truth About Obama, Inc. v. FEC*, 796 F. Supp. 2d 736, 747 (E.D.Va. 2011) (noting that both § 100.22(b) and *WRTL I*'s functional equivalent test “disallow consideration of the speaker's subjective intent”).

organization's spending on Federal campaign activity, as well as any other spending by the organization. In addition, the Commission may need to examine the organization's fundraising appeals. Because Buckley and MCFL make clear that the major purpose doctrine requires a fact-intensive analysis of a group's campaign activities compared to its activities unrelated to campaigns, any rule must permit the Commission the flexibility to apply the doctrine to a particular organization's conduct.

Supplemental Explanation and Justification, 72 Fed. Reg. 5595, 5601 (Feb. 7, 2007).²⁰

We also note that the Fourth Circuit expressly agreed and acknowledged that an organization's political spending is to be examined in terms of "expenditure ratios," as opposed to simply looking at the total amount of expenditures made. *See Real Truth*, slip op. at 24. As we have noted previously in other submissions to the Commission, an organization's total "campaign" expenditures must be examined *in relation to* its total, overall spending when seeking to determine what constitutes the organization's major purpose.

Complainant asserts that the Commission must "look[] comprehensively at the organization's documents, regulatory filings, public statements, appeals for fundraising, and political activities," that is, "the totality of Crossroads GPS's activity," to determine Respondent's major purpose. Complaint at 3. We do not necessarily disagree, but Complainant fails to present to the Commission any sort of record that even approaches a comprehensive review of Crossroads GPS's activities that compares the organization's "campaign activities ... to its activities unrelated to campaigns." Ridiculous assertions such as "only willful blindness could lead anyone to deny or to doubt that Crossroads' 'major purpose' is to influence national elections" are no substitute for the considered analysis required under the law.

(4) The Overlooked Breadth of Crossroads GPS's Activities

The Complaint, and much of what appears in the media, is based on an inaccurate caricature of Crossroads GPS that studiously ignores the actual materials that Crossroads GPS publicly distributes. This caricature is carefully nurtured by opponents and repeated *ad nauseam* to the press.²¹

²⁰ The Commission's standard is an aggregation of judicial statements regarding which factors may be relevant to a "major purpose" analysis. The factors identified in the Commission's 2007 policy are drawn from *FEC v. Massachusetts Citizens For Life, Inc.*, *FEC v. Malenick*, and *FEC v. GOPAC*.

²¹ The media routinely refers to Crossroads GPS advertisements as "campaign ads," as the Complaint notes at page 5. Such characterizations carry no legal weight, especially when coming from *Talking Points Memo* and *The Huffington Post*. In an example directly related to this matter, *The Nation* published the following description of the Fourth Circuit's decision: "Last week the federal Fourth Circuit Court of Appeals upheld the FEC's 'major purpose' test. In *Real Truth About Obama v. FEC*, the Fourth Circuit upheld a lower-court ruling that the group, a Democratic-leaning organization that registered under section 527 of the tax code, was a political committee because it had helping Obama win (in 2008)

Crossroads GPS came into existence in mid-2010, and has been actively engaged in policy and legislative debates on a continuous basis ever since. As recent news reports have indicated, Crossroads GPS is already planning for the post-election "lame duck" session. See Alina Selyukh, Conservative Crossroads plans post-election push, *Reuters* (June 25, 2012) (noting that Crossroads GPS "is planning a major campaign after the November 6 elections aimed at pushing Congress toward a conservative solution in its high-stakes debate over looming budget cuts and tax increases"). Crossroads GPS was similarly active during the 2010 "lame duck" session, when Congress debated and ultimately voted to extend the "Bush tax cuts," which had been scheduled to expire at the end of 2010. Throughout 2011, Crossroads GPS continued to very actively engage in the national debate over the budget and spending issues, taxes, job creation, unemployment, and the national debt. Crossroads GPS's 2012 activities have been in support of the 2012-2013 New Majority Agenda, as discussed above.

This Complainant, previous Complainants, and to a large extent, the media, focus almost exclusively on Crossroads GPS's television advertising efforts. These advertisements speak for themselves and have been addressed both in this Response and in previous submissions to the Commission. (These previous submissions are attached as Exhibit D.) Television advertising, however, is but one part of Crossroads GPS's broader program. The attached Exhibit E also provides additional details regarding other Crossroads GPS activities that have generally receive little attention in the press.

III. Conclusion

We have previously provided the Commission with extensive materials demonstrating that Crossroads GPS does not have campaign activity as its "major purpose" and is not a "political committee." The Fourth Circuit's decision in *Real Truth* does not change the applicable law or the FEC's powers and authority in any way, and Complainant has not identified any new circumstances, factual or otherwise, that demonstrate that Crossroads GPS is

as a major purpose. Like 501(c)4s, 527 groups do not have to disclose donors." Ben Adler, Obama Campaign Demands Crossroads GPS Disclose Donors, *The Nation* (June 20, 2012) available at <http://www.thenation.com/blog/168504/obama-campaign-demands-crossroads-gps-disclose-donors#>. In other words, it should go without saying that media characterizations are not always accurate.

EXHIBITS

- A. Obama For America, Behind the curtain: A brief history of Romney's donors (April 20, 2012).**
- B. 7 in '11 National Action Plan**
- C. 2012-2013 New Majority Agenda**
- D. Responses Filed In MUR 6396**
 - 1. Response of December 22, 2010**
 - 2. Supplemental Response of September 9, 2011**
 - 3. Response of October 10, 2011**
 - 4. Correspondence of April 23, 2012**
- E. Additional Details Regarding Crossroads GPS Activities**

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Exhibit A

ADDITIONAL



Log in Create account Español

STATE ABOUT ISSUES GROUPS BLOG VIDEOS VOLUNTEER STORE DONATE

Know the facts. Get the Truth.

When you're faced with someone who misrepresents the truth, you can find all the facts you need right here—along with ways to share the message with whoever needs to hear it.

<input type="text"/>	ZIP	JOIN THE TEAM
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Behind the curtain: A brief history of Romney's donors

April 20, 2012

Share This:

As the presumptive GOP nominee, Mitt Romney is relying on a cadre of high-dollar and special-interest donors to fund his campaign. Giving information about his real policy intentions and high-level access for cash, Romney and Republicans are working hard to pull in as much money as they can from wealthy lobbyists, corporations, and PACs. But just who are the people that Romney has called on for campaign cash?

A closer look at Romney's donors reveals a group of wealthy individuals with less-than-reputable records. Quite a few have been on the wrong side of the law, others have made profits at the expense of so many Americans, and still others are donating to help ensure Romney puts beneficial policies in place for them. Here's a look at just a few of the people Romney has relied on:

Report an Attack

Donors who benefit from betting against America

Log in Create account Español

- Paul "Chip" Schorr: Paul Schorr has given \$112,500 to Romney's presidential ambitions through Super PAC and direct campaign donations. As a partner at Blackstone, Schorr closed a deal in 2007 to outsource the services of seven U.S. companies to a firm in India, boosting that firm's profits by \$220 million and making millionaires of the Indian management team. In 2006, he arranged a buyout of a Colorado travel reservations company that led to 841 layoffs while Blackstone and its partners recouped the billions of dollars they invested in less than a year.
- Sam and Jeffrey Fox: Sam and Jeffrey Fox serve as co-chairman of Romney's finance operation in Missouri and, together, have donated \$220,000 to Romney's presidential ambitions. They also control the Harbour Group investment firm which bragged about buying an automotive accessories manufacturing company in Kansas in 1997 and moving production to Mexico. In 2002, the Harbour group's Mexico operation decided to outsource to China because China was "offering incentives and making it easy to open operations there." The Chinese government awarded Sam Fox the Marco Polo Award for "his company's role in China's economic development and his humanitarian contributions to that country."
- T. Martin Fiorentino: T. Martin Fiorentino is on Romney's Florida finance team and has bundled over \$140,000 for the Romney campaign. He also lobbied on behalf of Lender Processing Services, a "foreclosure mill" that paid him to lobby on legislation aimed at preventing lenders from "making loans that borrowers would have difficulty repaying." The government has reprimanded Lender Processing Services "for unsound practices related to residential mortgage loan serving and foreclosure processing."

Special-interest donors

Romney's stances on social and economic issues, like his long-standing alliance with Big Oil, attracts the contributions of high-dollar donors who are interested in pursuing a specific agenda. Here are just a few of special-interest donors that Romney is taking money from:

- Louis Moore Bacon: An early mega-donor for Romney, Louis Moore Bacon donated \$500,000 to the Restore Our Future Super PAC. Bacon makes his profit off of oil, first making a huge profit from successfully betting that gas prices would rise before the Iraqi invasion of Kuwait in 1989. Bacon's firm, Moore Capital, was fined \$25 million for attempting to manipulate certain commodity futures markets.
- Thomas O'Malley: Thomas O'Malley is the CEO of PBF Energy, America's fourth largest petroleum refining company, and gave \$100,000 to Restore Our Future. Not only did PBF Energy help drive gas

prices up this year by curtailing gas production, but it spilled 6.6 million gallons of oil at a refinery in New Jersey. The release of toxic gas and eventual explosion at another of its refineries in Delaware also directly contributed to a spike in gas prices.

- **Kent Burton:** Kent Burton is one of Romney's new funders who raised more than \$25,000 in one month for Romney's campaign. He is also a registered lobbyist for a wide array of energy clients, including Marathon Oil and Shell Oil.

- **Frank Vandersloot:** Frank Vandersloot is the national finance co-chairman of the Romney campaign and, through his company Metaleuca, has donated \$1 million to Restore Our Future. He is also a "litigious, combative, and a bitter foe of the gay rights movement" who "spent big" on ads in an "ultimately unsuccessful effort to force Idaho Public Television to cancel a program that showed gays and lesbians in a favorable light to school children."

The President's Record

Education
 Environment
 Equal Rights
 Health Care
 Jobs and the Economy
 National Security
 Student Loan Reform
 Wall Street Reform

Campaign

Contact Us
 Frequently Asked Questions
 Jobs
 Privacy Policy
 Terms of Service

Connect

Facebook
 Flickr
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 Instagram
 Pinterest
 RSS
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 Spotify
 Tumblr
 Twitter
 YouTube

Related Sites

Gotta Register
 GottaVote
 Romney Economics
 Truth Team

Log in · Create account · Español

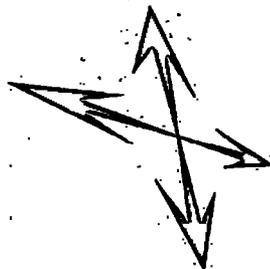
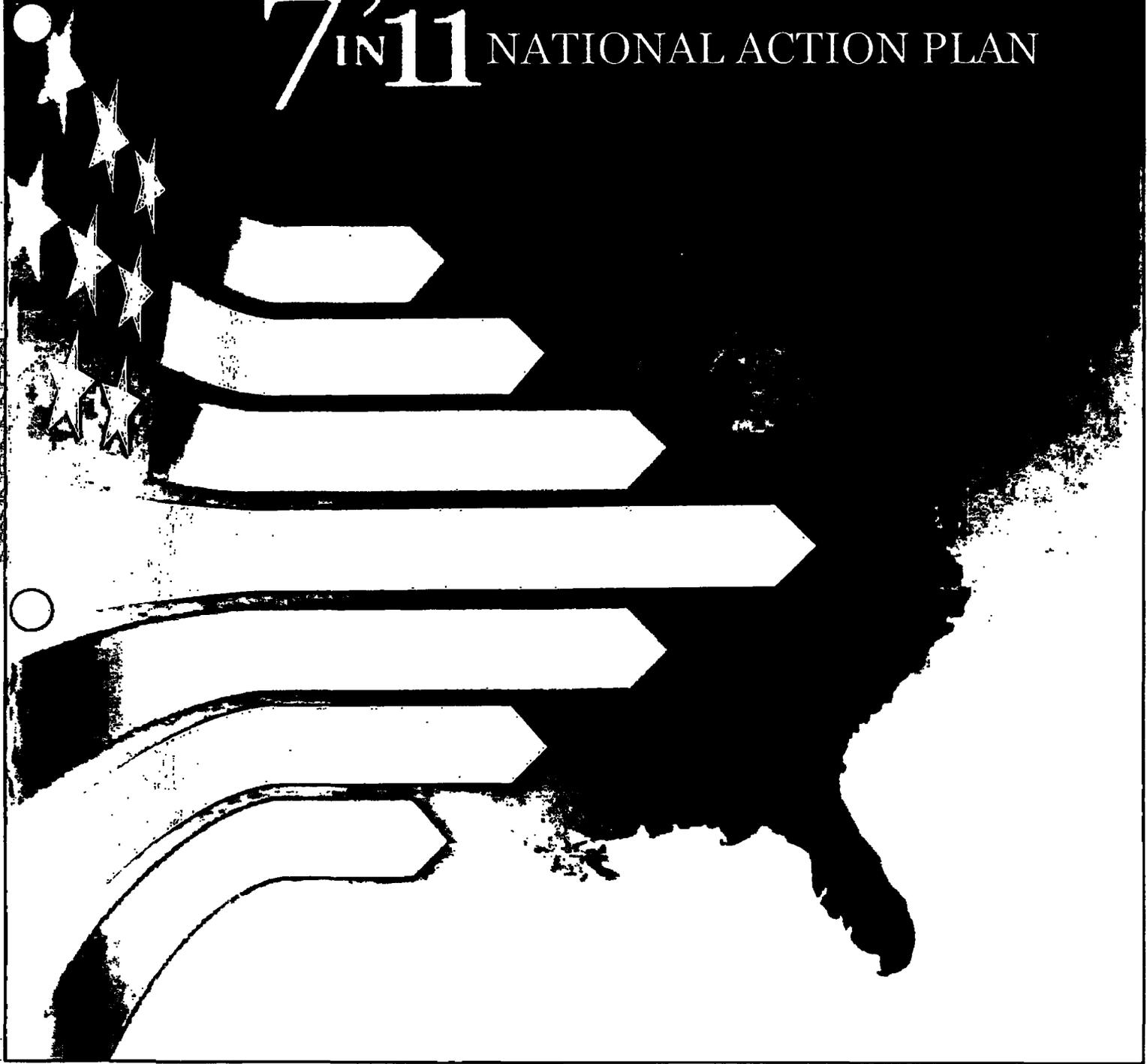
IN LOVING MEMORY of ALEX OKRENT

PAID FOR BY OBAMA FOR AMERICA

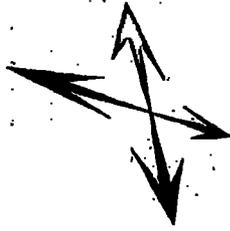
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Exhibit B

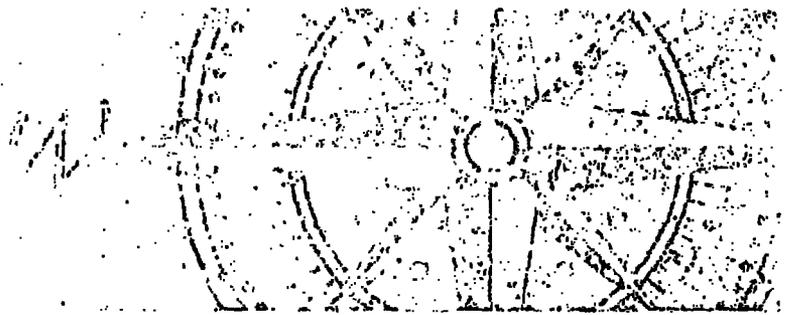
7[']11 NATIONAL ACTION PLAN



Crossroads *GPS*



Crossroads **GPS**



We are at a crossroads in America's history. A struggling economy. Millions out of work. Cataclysmic levels of debt. Reckless spending. Looming tax increases. Expanding government power. Free enterprise under assault.

We can go no further down this road. Instead, our nation must return to enduring American values of liberty, limited government, free enterprise, and personal responsibility – and immediately stop Washington's extreme agenda to explode the debt, raise taxes, and rapidly expand government power.

Crossroads Grassroots Policy Strategies (GPS) is a policy and legislative advocacy organization dedicated to the belief that most Americans do not support the big-government agenda being forced upon them by Washington. We are committed to educating, equipping, and mobilizing millions of concerned citizens so they can set the direction of government policymakers rather than become disenfranchised victims of it.

As part of its national advocacy program, Crossroads GPS has developed the "7 in '11" National Action Plan – an "emergency intervention" plan for citizens to protect the country from Washington politicians, take us off today's disastrous course, and start rebuilding our country's mismanaged economy and debt-ridden government.

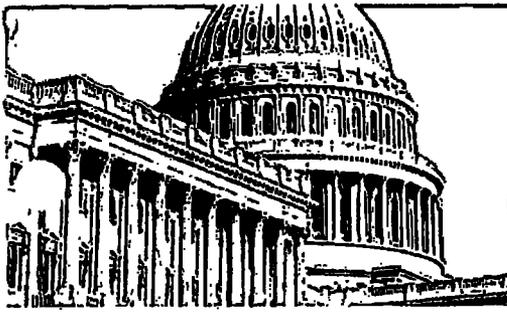
Why an "Emergency Intervention?"

There are many issues that need urgent attention from Washington. However, right now our country faces serious and potentially irreparable harm due to extreme policies being advanced by the Obama Administration and Congress in at least seven key areas. Crossroads GPS is alerting, informing, training, and engaging concerned citizens to *take action* on these seven critical issues as an "emergency intervention" to turn our government around before it's too late.

The "7 in '11" National Action Plan isn't about ideology or politics. In fact, most people agree that Washington needs to address these seven key issues *immediately*, before our country suffers the consequences. If we are going to stop the economic and financial bleeding inflicted by Congress and the White House, stabilize our economy and debt-financed government, and rebuild a private sector that has been squeezed by taxes and voracious government power, American citizens need to conduct an "intervention" with this out-of-control government and set a new course for recovery.



1-800-541-1001



We the People



"7 in '11" National Action Plan



Guarantee Low Tax Rates that Encourage American Economic Growth

- Stop the Obama tax hike time bomb scheduled to detonate on January 1, 2011
- Reform and simplify the tax system to strengthen America's global competitiveness



Stop Congress' Reckless Waste of Taxpayer Money

- End wasteful "stimulus" spending and pork-barrel earmarks
- Develop fiduciary-quality controls on Congress' budgeting and spending processes
- Cut Congress' ballooning travel budget



Aggressively Attack the National Debt

- Clean up the nation's books and set a clear course to pay off the national debt
- Create a "BRAC" commission process to tackle entitlement reform



Reform Health Care Responsibly, not Ideologically

- Call a "time-out" on implementing Obamacare to protect seniors' and families' health
- Refocus on patient-centered policies that will lower costs and improve quality through technological innovations



End the Bailout Culture

- Impose a moratorium on government handouts to banks, automakers, labor unions, and other politically-connected interests
- Require full public accounting of the disposition of returned TARP and auto bailout funds, as well as how much "stimulus" and "jobs bill" spending is directly or indirectly funding government salaries and pensions



Protect our Borders, Enforce our Laws

- Stop stalling on implementing a complete American border security system
- Fix existing laws to ensure legal immigration that benefits America and those who play by the rules



Prioritize American Energy Development

- Block the energy taxes on American families that costly regulatory regimes will impose
- Speed up development of American nuclear, fossil fuel, and other energy sources

10044462788

Getting Results on "7 in '11"



FACT:

Crossroads GPS is funding informational issue ads, issue research, grassroots phone calling, web-based resources, and numerous other tools to help concerned citizens get the FACTS about the "7 in '11" key issues. Citizens need to know not only how Washington's spending spree and big-government health care law affect them personally, but they also need to know where government leaders stand so that they can call them to account.

ACT:

Through issue advertisements, phone calls, and web-based tools, Crossroads GPS is encouraging citizens to take action on "7 in '11" issues in their communities - by writing letters to the editor, by contacting their elected leaders, and by sharing information with their family, friends, and neighbors. Congress and the White House have failed to fix our economy, curtail their out-of-control spending habits, and restrain the growth of government power - in fact, they continue to head in the opposite direction! It's up to millions of Americans to ACT, to reclaim ownership over their government, and to reset the direction of this country.

ENACT:

Only through a concerted program of citizen education and grassroots advocacy can we bring the necessary pressure to bear on Washington to ENACT a positive, forward-looking legislative agenda. Crossroads GPS is committed to a long-term strategy of holding Washington's feet to the fire to ensure that we stop its wasteful spending spree, turn back the massive encroachment of government into our health care through ObamaCare, oppose future job-killing tax increases, and pursue responsible legislative solutions on energy and immigration.



CROSSROADSGPS.COM



Seven Ways *You* Can Help Promote “7 in ’11”

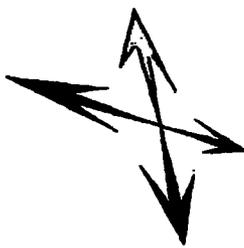
The Crossroads GPS vision is that *every* citizen should be empowered to determine the course of government policymaking, instead of being a disenfranchised victim of it. Here are some steps you can take to advance the “7 in ’11” National Action Plan with lawmakers and in your community:

1. Visit our website at www.crossroadsgps.org to watch our informational issue ads and get other useful data points from the site.
2. Share our ads and other posted information about the “7 in ’11” National Action Plan (including this downloadable brochure) with your family, friends, and neighbors.
3. Join the Crossroads GPS Community and become a **Citizen Advocate**. Sign up at www.crossroadsgps.org and receive regular updates on both policy issues and practical strategy.
4. Write a letter to the editor of your local newspaper, or enter comments on a blog on a local news site, urging others in your community to embrace the “7 in ’11” National Action Plan.
5. Send a copy of the “7 in ’11” National Action Plan to your elected leaders, ask them to give you a clear statement of their position on these issues, and urge them to take positive action on the plan.
6. Read, sign, and share the Crossroads GPS Citizens Compact at www.crossroadsgps.org/citizenscompact which includes a personal commitment to become fully informed on important issues affecting our country’s future and make every effort to vote this November 2, 2010.
7. Make a contribution through our website at www.icontribute.us/crossroadsgps to help us reach more concerned citizens through our informational issue ads, grassroots phone calls, and web tools.

All over our country right now, people are taking time away from their work, their families, and other responsibilities to **reclaim** ownership over their government and **restore** the ideals and values that made America a great, strong, secure nation. That vision is still alive in the hearts of millions of American citizens, but it is in danger of being dimmed – or destroyed – by the most irresponsible, aggressive policies we have ever seen in Washington.

Once again, our nation’s future depends not on the lofty decisions of leaders in a faraway capital. It depends on the grit and determination of its **citizens** – people like you.

1-800-451-1001



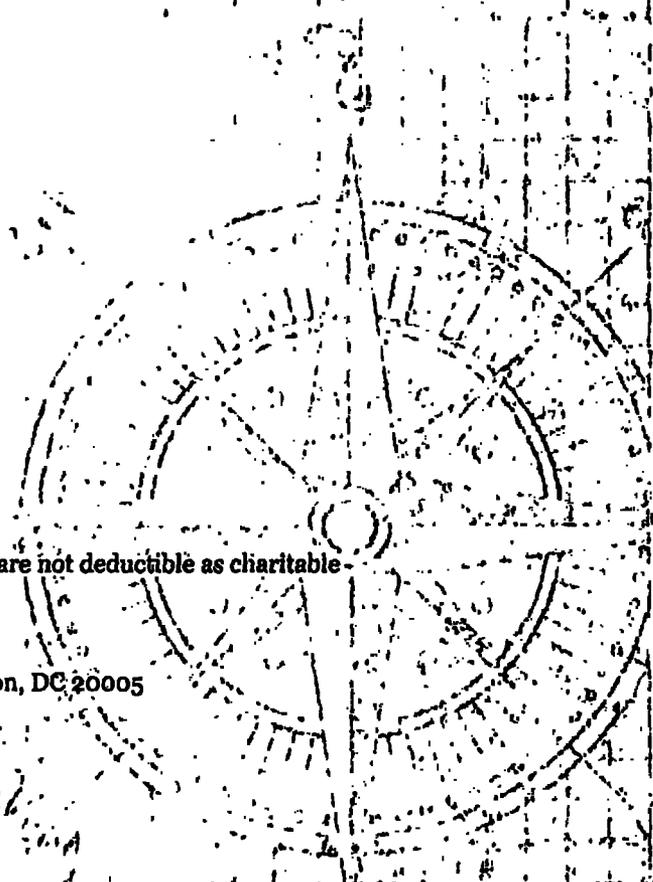
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About CrossroadsGPS

Contributions to Crossroads Grassroots Policies Strategies (GPS) are not deductible as charitable contributions for federal income tax purposes.

Crossroads GPS, 1401 New York Ave., NW, Suite 1200, Washington, DC 20005
Phone: (202) 559-6424 | www.crossroadsgps.org

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- **Quality health care:** Replace the "Obamacare" law with reforms that preserve Americans' access to their doctors and drive down health insurance costs, and protect seniors from Obama's Medicare cuts;
- **Restore our energy leadership:** End the Obama administration's interference with domestic energy development, halt job-killing EPA regulations and improve America's energy infrastructure;
- **Break Washington's regulatory chokehold:** Impose a moratorium on regulatory attacks on employers by the NLRB, Department of Labor, National Mediation Board and other union-boosting government agencies, and order a top-down review of the Dodd-Frank legislation to identify provisions that curtail credit or drive up credit costs for consumers;
- **Global leadership:** Protect America from international threats and instability, while developing a consistent, forward-leaning strategy of global engagement to expand foreign markets for American goods and services.

"These are issues a clear majority of Americans agree on, but they won't get action in Washington unless we tee them up with effective, targeted advocacy," said Crossroads GPS president Steven Law. "We plan to educate millions of Americans on the New Majority Agenda and how it will strengthen our economy and financial health."

Like the Crossroads GPS "7 in 11" plan released in mid-2010, the New Majority Agenda will provide the policy framework for the vast majority of Crossroads GPS's advocacy efforts on multiple platforms over the coming years.

Crossroads GPS is a policy and grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens to take action on the critical economic and legislative issues that will shape our nation's future.

For more information or to arrange an interview, contact Jonathan Collegio at jacollegio@crossroadsgps.org or (202) 559-6424.

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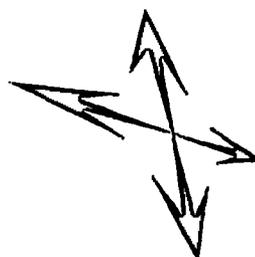
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2012-13

NEW MAJORITY AGENDA



Crossroads *GPS*

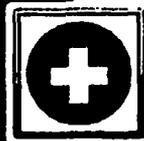
81% support lower taxes for small business owners.



73% say the federal deficit is mostly due to wasteful & unnecessary Washington spending.



Only 26% of Americans believe Obamacare will deliver better quality healthcare.



69% favor more offshore oil exploration.



75% oppose NLRB blocking companies from opening new plants in whichever states they want.



67% favor growing trade and business ties with foreign nations.



A ROADMAP TO RECOVERY

Craft a Lean, Pro-Growth Tax System

- Redesign the tax code to help American business be competitive and productive, and make tax compliance easier and fairer for job creators and individuals alike.
- Block President Obama's effort to raise taxes on families, small businesses, and consumers.

Clean Up Washington's "Downgraded" Finances

- Turn off the spigot of wasteful "stimulus" spending, "green jobs" giveaways, and special interest bailouts.
- Investigate the Obama Administration's "cash for cronies" culture and impose tough financial controls on agencies that mismanage grant and loan funds.
- Reduce domestic discretionary spending to pre-Obama Administration levels.
- Reform entitlement spending to ensure the long-term financial security of these programs.

Ensure Quality Health Care for Seniors and Families

- Replace Obamacare with reforms that preserve Americans' access to their doctors, enhance the use of health care information technology, lower health insurance costs, and improve the quality of care that families receive.
- Protect seniors from the Obama Administration's Medicare cuts, which will degrade the quality of their care and threaten their relationships with their doctors.

Restore America's Energy Leadership

- End the Obama Administration's constant interference with domestic energy development.
- Repeal job-killing EPA regulations and replace them with pro-growth, pro-environment alternatives.
- Make America's energy infrastructure the most efficient, productive, and technologically advanced in the world.

Break the Regulatory Chokehold on Economic Recovery

- Impose a moratorium on regulatory attacks against employers by the NLRB, Department of Labor, National Mediation Board, and other union-boosting government agencies.
- Order a top-down review of Dodd-Frank and freeze every provision that would curtail consumer access to credit, drive up consumer costs, or deny consumers a breadth of choices and products.

Make America a Respected Global Leader Again

- Protect America from international threats and instability with a renewed commitment to national security and revived relationships with longstanding allies.
- Develop a consistent, forward-leaning strategy of global engagement to expand foreign markets for American goods and services, and secure vital resources to drive American industry.



**LEGISLATION PROMOTING
NEW ENERGY EXPLORATION
BECOMES LAW**

**PRO-PROSPERITY HOUSE
LEADERS ADVANCE BILLS TO
CUT BACK REGULATIONS AND
CREATE JOBS**

**PRO-GROWTH SENATORS BREAK
DOWN ROADBLOCKS TO PASS
ECONOMIC AND TAX REFORMS**

**ROADMAP TO
RECOVERY**
CROSSROADS GPS ADVOCATES
THE NEW MAJORITY AGENDA



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Washington, DC 20005
Phone: (202) 706-7051

www.CrossroadsGPS.org



Crossroads**GPS**

Sponsoring the New Majority Agenda

Become a Sponsor of the New Majority Agenda, and help us promote the vibrant ideas and leadership America needs to renew our economy, restore fiscal responsibility, and secure our nation's future.

Change is coming to our Nation's Capital – and with it the potential for a bold agenda to reform our anti-competitive tax system, to explore new frontiers of American energy, to break Washington's chokehold

on industries and employers, and to rescue health care from government bureaucrat domination.

Don't miss out on the opportunity to shape and achieve a New Majority Agenda that will change Washington and America for the better.

Find out more at www.CrossroadsGPS.org/Issues.

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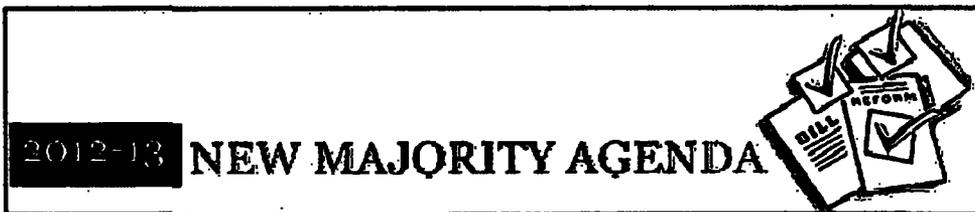
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America is facing a “fiscal cliff” that will shear off into tax hikes, defense cuts and a possible new recession beginning on January 1, 2013. Without decisive action by that date, America will hit “Taxmageddon,” the largest tax increase in world history, coupled with severe cuts in national security spending without any sustainable path towards national economic solvency. Small businesses and entrepreneurs will be drained of capital to grow and sustain jobs, and health care costs will continue to skyrocket.

If we do not turn from this disastrous course President Obama has locked us on, we will see higher unemployment and another recession. Crossroads GPS urges a better path forward, focused on pro-growth tax policy, a renewed commitment to the power of free enterprise, and restrained spending that no longer crowds out private sector investment and real growth. The New Majority Agenda offers such a path. Check it out!

Latest Video



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- **Make America's energy infrastructure the most efficient, productive, and technologically advanced in the world.**



Crossroads GPS supports:

H.R. 2021, the Jobs and Energy Permitting Act of 2011, which helps end permitting delays by the Obama Administration and unlocks access to an estimated 27 billion barrels of oil and 132 trillion cubic feet of natural gas in Alaska.

H.R. 2842, the Hydropower Development and Rural Jobs Act, which expands production of clean, renewable hydropower.

H.R. 1230, the Restarting American Offshore Leasing Now Act, which requires the Secretary of the Interior to conduct offshore lease sales in the Gulf of Mexico that have been delayed or canceled by the Obama Administration.

H.R. 1231, the Reversing President Obama's Offshore Moratorium Act, which lifts President Obama's ban on new offshore drilling by allowing production to go forward in areas containing the most oil and natural gas resources.

H.R. 1938, the North American-Made Energy Security Act, and other legislation that will accelerate approval of the job-boosting Keystone XL pipeline.

H.R. 2401, the Transparency in Regulatory Analysis of Impacts of the Nation (TRAIN) Act, which requires a study of the cumulative impacts of Obama Administration rules on jobs, energy prices, and electric reliability, and would stop implementation of two damaging rules impacting our jobs-heavy coal industry.

H.R. 3408, the Protecting Next Generation Energy Security (PIONEERS) Act, which removes regulatory barriers preventing the production of U.S. oil shale, offshore, and ANWR resources.

H.R. 1229, the Putting the Gulf of Mexico Back to Work Act, which ends the Obama Administration's *de facto* moratorium on American energy production in the Gulf of Mexico in a safe and transparent manner by setting firm timelines for considering new drilling permits.

The *American Energy Initiative*, as proposed by House leadership, and discussed in greater detail [here](#).

Crossroads GPS opposes:

All efforts to revive the "cap and trade" legislation that leading congressional Democrats continue to advocate.

President Obama's FY 2013 Budget, which would raise taxes, increase spending, and do nothing meaningful to address our \$15.7 trillion debt.

H.R. 5187, a bill designed to continue the federal government's effort to pick winners and losers in the energy sector and hinder American energy production.

The Obama Administration EPA's proposed regulations that will undermine the use of coal in our economy and/or lead to the death of coal-fired power plants.

Oversight and Accountability

Crossroads GPS favors robust Congressional oversight of the Obama Administration's energy policies, including the political appointees and bureaucrats who are hostile to American energy production. Crossroads GPS also supports a comprehensive forensic audit of the Obama Administration's "green energy" loan and grant programs, with the goal of holding accountable those who misspent and mismanaged billions of taxpayer dollars with impunity.

I am writing to urge you to adopt Crossroads GPS's approach to energy policy, as outlined in the New Majority Agenda at www.newmajorityagenda.org. In that agenda, Crossroads GPS calls for the following:

1. End the Obama Administration's constant interference with domestic energy development.
2. Repeal job-killing EPA regulations and replace them with pro-environment, pro-growth alternatives.
3. Make America's energy infrastructure the most efficient, productive, and technologically advanced in the world.

This kind of agenda is fundamentally different than the one we see today from the Obama Administration. During the past three years, we have seen repeated efforts from the

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2012-13 NEW MAJORITY AGENDA



America's Majority Says:

Only 26% of Americans believe Obamacare will deliver better quality healthcare.

(Kaiser 7/18/11)

Ensure Quality Health Care for Seniors and Families

- Learn about our [Better Way Forward](#) solutions for health care.
- Replace ObamaCare with reforms that preserve Americans' access to their doctors, enhance the use of health care information

10044440001

technology, lower health insurance costs, and improve the quality of care that families receive.

- Protect seniors from the Obama Administration's Medicare cuts, which degrade the quality of their care and threaten their relationships with their doctors.



Crossroads GPS supports:

H.R. 2, the Repealing the Job-Killing Health Care Law Act. All good health care reform depends on this law being stricken from the books so that the nation has an opportunity to enact new laws that focus first on lowering health care costs, preserving families' and seniors' relationships with their doctors, and improving the quality of care.

S. 1720, the Jobs Through Growth Act, which blocks Obama's scheduled tax increases for all Americans, commits Congress to a balanced budget amendment to the Constitution, slashes excessive spending, implements a flatter and simpler tax code, provides direct tax relief to the American people, repeals Obamacare, places a moratorium on job-killing regulations, provides specific regulatory relief to small businesses, repeals new regulations targeting America's farm and ranch lands, reforms the NLRB, removes regulatory barriers to American energy production and transport, and prohibits the EPA from imposing new energy taxes.

S. 299 and H.R. 10, the Regulations From the Executive in Need of Scrutiny ("REINS") Act of 2011, which would increase congressional oversight of the regulatory process to ensure greater accountability, and a strong focus on economic impact.

Latest Video

Crossroads GPS opposes:

H.R. 12, the American Jobs Act of 2011, President Obama's latest ploy to raise taxes, increase stimulus spending, and add to the regulatory burdens on America's job creators.

President Obama's FY 2013 Budget, which reaffirms the Obamacare law and would raise taxes, increase spending, and do nothing to meaningfully address our \$15.7 trillion debt.

Oversight and Accountability

Crossroads GPS favors robust oversight of efforts of the Obama Administration to implement Obamacare, whether through Congressional hearings and investigations or through agency inspectors general.



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Grassroots Action Center

Action Alert

Support the New Majority Agenda on Health Care

Tell your Representatives to support the New Majority Agenda on health care.
Compose Your Message
The recipients targeted by this message are not valid for your postal address(es). Recipients

- US Senators
- US Representative

Guidelines [+]
more Message Subject

Support the New Majority Agenda on Health Care

Salutation

Dear [Recipient's name will be automatically inserted here]

Body

10044602000

I am writing to urge you to adopt Crossroads GPS's New Majority Agenda, www.newmajorityagenda.org on health care reform:

1. Replace ObamaCare with reforms that preserve Americans' access to their doctors, enhance the use of health care information technology, lower health insurance costs, and improve the quality of care that families receive.
2. Protect seniors from the Obama Administration's Medicare cuts, which degrade the quality of their care and threaten their relationships with their doctors.

This agenda matches my own, especially how it starts: REPEAL OBAMACARE. All good health care reform depends on this law being stricken from the books so that the nation has an opportunity to enact new laws that focus first on lowering health care costs, preserving families' and seniors' relationships with their doctors, and improving the quality

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- Order a top-down review of Dodd-Frank and freeze every provision that would curtail consumer access to credit, drive up consumer costs, or deny consumers a breadth of choices and products.



Crossroads GPS supports:

S. 299 and H.R. 10, the Regulations From the Executive in Need of Scrutiny ("REINS") Act, which would increase congressional involvement in the regulatory process to ensure greater accountability and focus on economic impacts.

S. 1720, the Jobs Through Growth Act, which commits Congress to a balanced budget amendment to the Constitution, slashes excessive spending, implements a flatter and simpler tax code, provides direct tax relief to the American people, repeals Obamacare, reforms the nation's regulatory rulemaking system, places a moratorium on job-killing regulations, provides specific regulatory relief to small businesses, repeals new regulations targeting America's farm and ranch lands, reforms the NLRB, removes regulatory barriers to American energy production and transport, and prohibits the EPA from imposing new energy taxes.

S. 217 and H.R.972, the Secret Ballot Protection Act, which would protect employees' rights during union organizing efforts.

S. 964 and H.R. 1976, the Job Protection Act, which would prevent the NLRB from forcing employers to relocate or shut down facilities for improper reasons.

S. 1425 and H.R. 2810, the Employee Rights Act, which would reform the union organizing process to protect the rights of employees.

S. 1666 and H.R. 2854, the Employer Free Choice Act, which would repeal a rule published by the NLRB relating to union organizing elections.

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Grassroots Action Center

Action Alert

Support the New Majority Agenda on Regulatory Policy

Tell your Representatives to support the New Majority Agenda on regulatory policy.
Compose Your MessageThe recipients targeted by this message are not valid for your postal address(es). Recipients

- US Senators
- US Representative

Guidelines [+] **more** Message Subject

Support the New Majority Agenda on Regulations

Salutation

Dear [Recipient's name will be automatically inserted here]

Body

108210041412014

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2012-13 **NEW MAJORITY AGENDA**

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America's Majority Says:
73% say the federal deficit is mostly due to wasteful & unnecessary Washington spending.
(Gallup 4/29/11)

Clean Up Washington's "Downgraded" Finances

- Turn off the spigot of wasteful "stimulus" spending, "green jobs" giveaways, and special interest bailouts.

- Investigate the Obama Administration's "cash for cronies" culture and impose tough financial controls on agencies that mismanage grant and loan funds.
- Drive down domestic discretionary spending to pre-Obama Administration levels.
- Reform entitlement spending to ensure the long-term financial security of these programs.



Crossroads GPS supports:

H.J. Res. 2 and S.J. Res. 10, a balanced budget amendment to the United States Constitution.

H. Con. Res. 34, a budget for the federal government that puts the nation's finances on a pathway to balance and addresses our long-term entitlement crisis.

S. 1930 and H.R.3707, the Earmark Elimination Act, so that politicians are focused on legislating for the public good, not for politically-connected interests.

S. 1611 and H.R. 3029, the Reducing the Size of the Federal Government Through Attrition Act, so that the federal workforce becomes leaner and more effective and taxpayer dollars are not wasted.

H.R. 4966, the Sequester Replacement Act of 2012, to ensure a more efficient government and to protect our national defense.

S. 299 and H.R. 10, the Regulations From the Executive in Need of Scrutiny ("REINS") Act, which would increase congressional oversight and control of the regulatory process to ensure greater accountability and a strong focus on economic impact.

S. 1720, the Jobs Through Growth Act, which blocks Obama's scheduled tax increases for all Americans, commits Congress to a balanced budget amendment to the Constitution, slashes excessive

spending, implements a flatter and simpler tax code, provides direct tax relief to the American people, repeals Obamacare, reforms the nation's regulatory rulemaking system, places a moratorium on job-killing regulations, provides specific regulatory relief to small businesses, repeals new regulations targeting America's farm and ranch lands, reforms the NLRB, removes regulatory barriers to American energy production and transport, and prohibits the EPA from imposing new energy taxes. **Latest Video**

Crossroads GPS opposes:

H.R. 12 and S. 1660, the American Jobs Act of 2011, President Obama's latest ploy to raise taxes, increase stimulus spending, try to pick winners and losers in the marketplace, and add to the regulatory burdens on America's job creators.

President Obama's FY 2013 Budget, which would raise taxes, increase spending, and do nothing meaningful to address our \$15.7 trillion debt.

Oversight and Accountability

Crossroads GPS also favors robust oversight of federal spending, strong Inspectors General to root out fraud and spending abuses in the federal bureaucracy, and diligent congressional oversight of the president's political appointees who are responsible for taxpayer money.



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I am writing to urge you to adopt Crossroads GPS's approach to our national debt crisis, as outlined in the New Majority Agenda, www.newmajorityagenda.org. In that agenda, Crossroads GPS emphasizes the need to slash spending and special-interest bailouts, drive down spending, and reform entitlement programs to ensure their solvency and durability.

It is no secret that our national debt is out of control - -more than \$15.7 TRILLION - and that the Obama Administration has made it much worse in the last 3 1/2 years. It is immoral to put this debt burden on our children and grandchildren, forcing them to pay higher taxes to pay for our own inability to manage our finances today. The unserious, cavalier attitude that President Obama has taken towards this debt explosion is a disgrace and must be repudiated.

Congress must also be forced to balance its budget. It must stop wasting money on

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Crossroads GPS supports:

H.R. 206 and H.R. 86, to block President Obama's scheduled tax increases on all Americans.

H.R.462, the Tax Code Termination Act, a bill to ensure that the tax code is fully reformed no later than 2015.

S. 1720, the Jobs Through Growth Act, which blocks Obama's scheduled tax increases for all Americans, implements a flatter and simpler tax code, provides direct tax relief to the American people, commits Congress to a balanced budget amendment to the Constitution, slashes excessive spending, repeals Obamacare, reforms the nation's regulatory rulemaking system, places a moratorium on job-killing regulations, provides specific regulatory relief to small businesses, repeals new regulations targeting America's farm and ranch lands, reforms the NLRB, removes regulatory barriers to American energy production and transport, and prohibits the EPA from imposing new energy taxes.

H.R. 9, the Small Business Tax Cut Act, a bill to provide small businesses meaningful, immediate tax relief in order to help put more Americans back to work.

H.R.177, the Death Tax Repeal Act, to repeal the estate tax.

H.R. 436, S. 17, and S. 262, all bills to protect medical innovation by repealing the excise tax on medical devices imposed by Obamacare.

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2012-13 NEW MAJORITY AGENDA



America's Majority Says:

67% favor growing trade and business ties with foreign nations.

(Princeton Survey 4/14/11)

Make America a Respected Global Leader Again

- Protect America from international threats and instability through revived relationships with long-standing allies, a renewed commitment to national security, and proactive, strategic diplomacy.

- Develop a consistent, forward-leaning strategy of global engagement to expand foreign markets for American goods and services, and secure vital resources to drive American industry.



Crossroads GPS supports:

H.R.4966, the Sequester Replacement Act of 2012, to ensure a more efficient government and to protect our national defense.

The ongoing efforts by the Chairman of the House Ways & Means Committee to reform our international economic arrangements, including our tax code, in order to ensure global competitiveness.

S. 1595, the Solidarity with Israel Act.

S. 2101, the Iran Sanctions, Accountability, and Human Rights Act.

All legislative efforts to ensure that a grant of Permanent Normal Trade Relations status to Russia is contingent upon a greater commitment to human rights, for example through S. 1039 and H.R. 4405, the Sergei Magnitsky Rule of Law Accountability Act.

Crossroads GPS opposes:

H.R. 12, the American Jobs Act of 2011, President Obama's latest ploy to raise taxes, increase stimulus spending, and add to the regulatory burdens on the nation's employers. All of these efforts will make the nation weaker domestically and less competitive internationally.

President Obama's FY 2013 Budget, which would raise taxes, increase spending, and do nothing to meaningfully address our \$15.7 trillion debt,

all of which threatens our long-term fiscal standing and ability to protect our nation's interests internationally. **Latest Video**

H.R. 29, a bill to withdraw the United States from the North American Free Trade Agreement (NAFTA), thereby injuring our relationships with our neighbors and threatening the jobs of American workers.

Oversight and Accountability

Crossroads GPS strongly supports efforts in Congress to provide appropriate oversight in the area of foreign affairs on matters of national security, diplomacy, and trade relations.



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160444620011

I am writing to urge you to adopt Crossroads GPS's approach to strengthening our nation's role in the world, as outlined in the New Majority Agenda at www.newmajorityagenda.org.

As that agenda explains, we should be protecting our nation "from international threats and instability through revived relationships with long-standing allies, a renewed commitment to national security, and proactive, strategic diplomacy." And on the economic side, we should be developing a "consistent, forward-leaning strategy of global engagement to expand foreign markets for American goods and services, and secure vital resources to drive American industry." These goals, not ideology or politics, should drive our approach to foreign affairs.

The greatest threat to our national strength is the hollowing-out of America's defenses. Last year, President Obama insisted on a "sequester" law that soon will impose huge,

Length: 2265

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Exhibit D

UNCONFIDENTIAL

45 North Hill Drive
Suite 100
Warrenton, VA 20186
p/540-341-8808
f/540-341-8809

December 22, 2010

Christopher Hughey, Esq.
General Counsel's Office
999 E Street, NW
Washington, DC 20463

Re: *Response of Crossroads Grassroots Policy Strategies in MUR 6396*

Dear Mr. Hughey,

This Response is submitted by the undersigned counsel on behalf of Crossroads Grassroots Policy Strategies (Crossroads GPS), in response to the Complaint designated as Matter Under Review 6396. By letter dated October 28, 2010, we requested a 45-day extension to respond to the Complaint, or until December 24, 2010, citing "the breadth of the issues raised in the Complaint, both factual and legal." After executing a tolling agreement, our extension request was granted by letter dated November 4, 2010.

The lead Complainant, Public Citizen, is a familiar one to the Commission, and is joined not by its usual allies, but by a quartet of relatively unknown, far-left organizations. Together, they suffer from a nagging inability to correctly describe prevailing legal standards. Once the correct legal standards are identified and applied, however, it is readily apparent that Crossroads GPS is *not* a "political committee," as the Complainants contend.

Crossroads GPS acknowledges making independent expenditures, consistent with *Citizens United v. FEC*. It filed independent expenditure reports with the FEC, as appropriate, as well as electioneering communications reports when required to do so. Crossroads GPS's FEC-regulated public communications all contain appropriate disclaimers. The organization's "major purpose," however, is not Federal campaign activity. In fact, through calendar year 2010, Crossroads GPS has spent approximately 60% of its resources on activities consistent with its tax-exempt purpose, including issue advocacy and grassroots lobbying communications with the general public. Accordingly, Crossroads GPS is not a "political committee," as that term is used in the Federal Election Campaign Act (FECA), and therefore, is not required to file a Statement of Organization or quarterly financial activity reports with the Commission.

Briefly stated, Crossroads GPS is, and always has been, in full compliance with FECA and all applicable FEC regulations.

I. Organizational Status

Crossroads GPS is organized under Section 501(c)(4) of the Internal Revenue Code as a social welfare organization. It is not a Section 527 political organization, nor a "political committee" subject to regulation by the FEC. Crossroads GPS engages in a limited amount of express advocacy activity which it believes complements its exempt purpose social welfare activities.

Under applicable Internal Revenue Service (IRS) standards, Crossroads GPS conducts itself appropriately. Specifically, IRS standards permit a Section 501(c)(4) organization to engage in some "political activity" so long as the organization's *primary purpose* is not the "direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office."¹ Given the rough equivalence of the IRS "primary purpose" test and the FEC's "major purpose" test, a Section 501(c)(4) organization that is in compliance with IRS standards *should* be found to satisfy the FEC's "political committee" test.

Moreover, the IRS's "primary purpose" determination is made with respect to a full tax year of organizational activity. The current fiscal year of Crossroads GPS runs from June 1, 2010 to May 31, 2011. Thus, any IRS inquiry into the "primary purpose" of Crossroads GPS would not be in order until *after* May 31, 2011. Crossroads GPS is commissioning a full independent audit to be conducted beginning in June 2011, the results of which will be used to file the organization's annual tax return (IRS Form 990) in October 2011 or January 2012 (depending on whether Crossroads GPS applies for a routine extension). While the FEC may apply different tests and standards for determining "political committee" status, it is at least premature for the Commission to act on a complaint that attempts to define the nature of an organization that has yet to complete its first full year of advocacy activity. Nevertheless, Crossroads GPS has acted lawfully at all times, and has never qualified for "political committee" status.

¹See Rev. Rul. 81-95; Treas. Reg. § 1.501(c)(4)-1(a)(2)(ii).

II. Complainant Misstates the Commission's "Political Committee Status" Test

The Complainants allege that "Crossroads GPS has violated the law by raising and spending significant amounts of money to influence the 2010 congressional elections without (1) registering as a political committee, as required by 2 U.S.C. § 433, (2) filing political committee financial disclosure reports required by 2 U.S.C. § 434, and (3) complying with the political committee organizational requirements of 2 U.S.C. § 432." Complaint at ¶ 1. According to the Complainants, "Crossroads GPS likely qualifies as an 'independent expenditure only' committee." *Id.* at footnote 1.

A. Correct Order of Political Committee Status Test

Complainants mischaracterize the "political committee" status test based on a reading of *Buckley v. Valeo* that the Commission has rejected repeatedly. According to Complainants, the "major purpose" of an organization is to be determined first, followed by an examination of whether the organization has made "expenditures" or received "contributions." Why Complainants would insist on this backwards approach is no mystery. Under their version of the *Buckley* standard, if Complainants can convince an adjudicatory body that an organization's "major purpose" is federal political/campaign activity, then *all* of the organization's spending can be presumed to be an "expenditure," and the distinction between issue advocacy and express advocacy can be disregarded.² Because there is no clearly defined "test" for determining "major purpose," this approach generates precisely the amorphous, ripe-for-abuse "I know it when I see it" approach to political committee status that the so-called "reform" lobby (including one of the Complainants) has pursued for years as part of its efforts to silence the political speech of others.

The Commission, of course, has always utilized the reverse approach; that is, the Commission first asks whether an organization has made "expenditures" or received "contributions," and *then* makes inquiries into the organization's "major purpose," using a relatively undefined set of standards. As the Commission realizes, however, the only way to determine *the* "major purpose" of an organization is by reviewing the organization's activities in terms of "express advocacy" and "issue advocacy." Other factors, such as officer and director statements and other public statements are peripheral to the inquiry. Thus, "expenditures" and "contributions" must be examined before the "major purpose" determination can possibly be made.

² Complainants write at ¶ 17: "the test for 'expenditure' in this case is the statutory standard of whether disbursements have been made 'for the purpose of influencing' any federal election, regardless of whether the disbursements were for any 'express advocacy' communication."

The order of the Commission's inquiry is clearly set forth in the 2007 Supplemental Explanation and Justification on Political Committee Status:

[D]etermining political committee status under FECA, as modified by the Supreme Court, requires an analysis of both an organization's specific conduct – whether it received \$1,000 in contributions or made \$1,000 in expenditures – as well as its overall conduct – whether its major purpose is Federal campaign activity (i.e., the nomination or election of a Federal candidate).

Many administrative actions, including the recently resolved actions against several 527 organizations . . . , include substantial investigations and case-by-case analyses and determinations of whether a group's fundraising generated "contributions" and whether payments for its communications made independently of a candidate constituted "expenditures," as alternative prerequisites to a determination that a group is a political committee, *prior to any consideration of the group's major purpose.*

Supplemental Explanation and Justification on Political Committee Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (emphasis added).

The same document further explained, "the major purpose test serves as an additional hurdle to establishing political committee status. Not only must the organization have raised or spent \$1,000 in contributions or expenditures, but it must additionally have the major purpose of engaging in Federal campaign activity." *Id.* at 5601. *See also* MUR 5694 (Americans for Job Security, Inc.), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 16 ("Contrary to how the complainants may wish to have it applied, the 'major purpose' test is not the first prong of a two-prong test for political committee status.").

While Crossroads GPS freely concedes that it has made more than \$1,000 in "expenditures," the organization's "major purpose" can only be determined by analyzing the whole its activities, which means comparing its express advocacy (expenditure) activity to its issue advocacy, grassroots lobbying and other non-expenditure activity.

Complainants rely on dicta from *Shays v. FEC*, 511 F.Supp.2d 19 (D.D.C. 2007) in support of their argument that "major purpose" should be examined first. They neglect to note that the court actually concluded that the FEC's approach to determining "political committee" status, as set forth in the Supplemental Explanation and Justification on Political Committee Status, "is not unlawful in any way" because "[w]hile plaintiffs would like the agency to first

determine an organization's major purpose, with particular focus on whether they are a 527 group, neither the statute nor judicial precedent establishes any particular 'order of operations' in making the 'political committee' determination." *Shays v. FEC*, 511 F.Supp.2d at 17-18. In fact, contrary to Complainants' assertions, the FEC's established approach was upheld in the case it cites.

B. "A" Versus "The" Major Purpose

We also note that Complainants, when describing the applicable "major purpose" standard, repeatedly refer to "a major purpose" of the organization, as opposed to "the major purpose" of the organization. See, e.g., Complaint at ¶¶ 11, 13, 15 and 28. We presume the Complainants' language is an intentional misstatement of the law, and also presume that the Commission is well-aware that *Buckley* refers to "the major purpose" of an organization. In 2008, the Fourth Circuit Court of Appeals specifically addressed the issue of "a major purpose" versus "the major purpose." The Fourth Circuit concluded:

Viewed in light of *Buckley*'s goals, it is clear that the importance the plaintiffs attach to the definite article is correct. *Buckley*'s articulation of the permissible scope of political committee regulation is best understood as an empirical judgment as to whether an organization primarily engages in regulable, election-related speech. Thus, the Court in *Buckley* must have been using "the major purpose" test to identify organizations that had the election or opposition of a candidate as their only or primary goal -- this ensured that the burdens facing a political committee largely fell on election-related speech, rather than on protected political speech. *Id.* (stating that political committees, as defined by "the major purpose" test, are "by definition, campaign related"). If organizations were regulable merely for having the support or opposition of a candidate as "a major purpose," political committee burdens could fall on organizations primarily engaged in speech on political issues unrelated to a particular candidate. This would not only contravene both the spirit and the letter of *Buckley*'s "unambiguously campaign related" test, but it would also subject a large quantity of ordinary political speech to regulation.

Subsequent case law affirms the plaintiff's interpretation. To begin, the Supreme Court reaffirmed *Buckley*'s "the major purpose" test in *Federal Election Commission v. Massachusetts Citizens for Life, Inc.*, 479 U.S. 238, 107 S. Ct. 616, 93 L. Ed. 2d 539 (1986) ("MCFL"). There, the Court stated that an organization could be classified as a political committee if "the organization's major purpose may be regarded as campaign activity," and referred to regulable political committees as "groups whose primary objective is to influence political campaigns." *Id.* at 262 (emphasis added). Furthermore, *McConnell* recently quoted *Buckley*'s "the major purpose" language favorably. See

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McConnell, 540 U.S. at 170 n.64. The Supreme Court has thus not relaxed the requirement that an organization have “*the major purpose*” of supporting or opposing a candidate to be considered a political committee. And given the Supreme Court’s direction on this issue, it is unsurprising that a number of lower courts have also adopted *Buckley*’s “*the major purpose*” test in some form, highlighting that regulation as a political committee is only proper if an organization primarily engages in election-related speech. See, e.g., *California Pro-Life Council, Inc. v. Getman*, 328 F.3d 1088, 1104 n.21 (9th Cir. 2003); *Fed. Election Comm’n v. Machinists Non-partisan Political League*, 210 U.S. App. D.C. 267, 655 F.2d 380, 391-92 (D.C.Cir. 1981); *Richey v. Tyson*, 120 F. Supp. 2d 1298, 1311 (S.D. Ala. 2000); *Volle v. Webster*, 69 F. Supp. 2d 171, 174-76 (D. Me. 1999); *New York Civil Liberties Union, Inc. v. Acito*, 459 F. Supp. 75, 84 n.5, 89 (S.D.N.Y. 1978).

Thus, we are convinced that the Court in *Buckley* did indeed mean exactly what it said when it held that an entity must have “*the major purpose*” of supporting or opposing a candidate to be designated a political committee. Narrowly construing the definition of political committee in that way ensures that the burdens of political committee designation only fall on entities whose primary, or only, activities are within the “core” of Congress’s power to regulate elections. *Buckley*, 424 U.S. at 79. Permitting the regulation of organizations as political committees when the goal of influencing elections is merely one of multiple “major purposes” threatens the regulation of too much ordinary political speech to be constitutional.

North Carolina Right to Life, Inc. v. Leake, 525 F.3d 274, 287-289 (4th Cir. 2008) (internal footnote omitted). See also MUR 5694 (*Americans for Job Security, Inc.*), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 16-17 n.61 (“We note that the appropriate test looks to ‘the’ major purpose, and not simply whether influencing elections is one of several subjective goals....If organizations were regulable merely for having the support or opposition of a candidate as ‘a major purpose,’ political committee burdens could fall on organizations primarily engaged in speech on political issues unrelated to a particular candidate.”).

III. Crossroads GPS's Express Advocacy Activities Versus Grassroots Issue Advocacy and Other Educational Activities

Complainants attempt to bolster their apparently poor grasp of the law with a sloppy and incomplete compilation of facts.³ They note that Crossroads GPS maintains a YouTube Channel, where it posts copies of its advertisements, and assert that this YouTube Channel "contain[s] 22 ads obviously produced 'for the purpose of influencing' the 2010 Congressional elections, *see* 2 U.S.C. § 431(9)(A)(i), with all or most also expressly advocating the election or defeat of candidates for federal office."⁴ Complaint at ¶ 37.

Due to their haste in filing this Complaint, Complainants were unable to present a complete picture of Crossroads GPS's activities, and do not even attempt to provide the Commission with a full inventory of Crossroads GPS's public communications. It appears that Complainants have not even taken the time to review Crossroads GPS's electioneering communication and independent expenditure reports that are available on the FEC's website.

A. Basic Overview of Crossroads GPS Finances

As a Section 501(c)(4) organization, Crossroads GPS is not required to publicly report any of its non-express advocacy spending until it files IRS Form 990. However, for the sole purpose of responding to this Complaint, the following overview is provided.

From its inception on June 1, 2010 through December 15, 2010, Crossroads GPS raised approximately \$43.6 million. Approximately \$39.1 million of this total was spent on communications with the public, pre-production activities in support of these communications, and grants to other non-profit organizations engaged in social welfare activities. Of this approximately \$39.1 million, \$15,445,039.50 was spent on independent expenditures that were reported to the FEC. The remaining amount, approximately \$23.7 million, was spent on activities furthering the exempt purpose of Crossroads GPS, including issue advocacy, grassroots lobbying, and educational activities to promote issues related to the organization's "7 in '11" National Action Plan (described in more detail on page 16 of this Response). The 2010 calendar year percentage split between exempt purpose spending and independent expenditures is

³ We note that one of the Complainants, Public Citizen, has been chastised by three Commissioners in the past for its haphazard approach to filing complaints. *See* MUR 5694 (Americans for Job Security, Inc.), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 1 n.1.

⁴ Complainants' assertion that the phrase "for the purpose of influencing" means something broader than "express advocacy" is a product of their wrongly-ordered political committee status test – and is yet another instance of their refusal to correctly represent the law before the Commission.

approximately 59% to 39%. The remaining 2% is attributable to overhead and administrative expenses.

B. Grassroots Issue Advocacy and Other Educational Activities

As noted above, Crossroads GPS has spent the great majority of its funds on grassroots lobbying, issue advocacy and educational activities. Also, Crossroads GPS is in the process of commissioning a full, independent audit of its finances, to be conducted beginning in June 2011, after Crossroads GPS's current fiscal year (June 1, 2010 – May 31, 2011) ends. In the meantime, Crossroads GPS is able to provide the Commission with the following figures, which are compiled from existing records.

1. Pre-Electioneering Communication Period Issue Advocacy

In the summer of 2010, two months after its formation and prior to the commencement of the general electioneering communications period, Crossroads GPS announced its "7 in '11" National Action Plan: a policy agenda of key national legislative matters impacting jobs and the economy that would need to be addressed by Congress in any "lame-duck" session and in 2011. During the same time period, and prior to the commencement of the electioneering communications period, Crossroads GPS aired seven issue advocacy and/or grassroots lobbying advertisements on issues related to the "7 in '11" National Action Plan. Approximately \$4.3 million was spent on these television advertisements. (These advertisements are titled: "Worried"⁵; "Calendar"⁶; "Debt Clock"⁷; "Lawsuit"⁸; "Wrong Way"⁹; "Thanks Harry"¹⁰; and "Hurting."¹¹ All are available on YouTube, at the links noted, and scripts are attached as well.)

Each of these advertisements constituted grassroots lobbying and issue advocacy under Chief Justice Robert's *Wisconsin Right to Life* test, and none contained express advocacy. These ads urged viewers to take action with respect to specific policies or legislation under consideration by Congress. The ads prominently provided the address of the Crossroads GPS website, which directed visitors to template pages enabling viewers to send letters and emails to Members of Congress, urging them to take specific policy and legislative actions. Viewers could also send letters to the editors of various publications and make blog postings.

⁵ "Worried": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/35/wQd74O3PEM8>.

⁶ "Calendar": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/40/f85DHhYcqU4>.

⁷ "Debt Clock": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/34/7UzT0QTcZKw>.

⁸ "Lawsuit": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/38/4lr9xEr9zgU>.

⁹ "Wrong Way": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/36/fEKxPGcEDVM>.

¹⁰ "Thanks Harry": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/39/NmGfdA2-wB0>.

¹¹ "Hurting": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/37/NCBIbj9nOMs>.

2. Communications During the Electioneering Period

During the electioneering communications period, Crossroads GPS filed electioneering communications reports, totaling \$1,104,783.48, for four television advertisements that satisfied the statutory definition of “electioneering communication” at 2 U.S.C. § 434(f)(3). (See “Debt Clock Long,”¹² “Health/Bad Sign,”¹³ “Health/Baby,”¹⁴ and “Jobs/Thanks a Lot.”¹⁵) In some instances, these electioneering communications were the same ads referenced in the section above, but which happened to straddle the beginning date of the electioneering communications period.

These four advertisements contained no express advocacy – under either 11 C.F.R. § 100.22(a) or (b) – and qualify as grassroots lobbying and issue advocacy communications under the standards set forth in *FEC v. Wisconsin Right To Life*, 551 U.S. 449 (2007). As with Crossroads GPS’ issue advocacy advertising prior to the electioneering period, all of these ads advocated viewer action on a current, specific legislative or policy issue, and two linked to the Crossroads GPS website which provided further information and an opportunity for viewers to personally advocate on the issue with their elected representatives or local media. (The other two ads provided a telephone number for viewers to call.)

All of Crossroads GPS’s non-express advocacy communications bear the hallmarks of genuine grassroots lobbying and issue advocacy communications, as described by Chief Justice Roberts in *FEC v. Wisconsin Right To Life, Inc.* That is, the:

ads are plainly not the functional equivalent of express advocacy. First, their content is consistent with that of a genuine issue ad: The ads focus on a legislative issue, take a position on the issue, exhort the public to adopt that position, and urge the public to contact public officials with respect to the matter. Second, their content lacks indicia of express advocacy: The ads do not mention an election, candidacy, political party, or challenger; and they do not take a position on a candidate’s character, qualifications, or fitness for office.

FEC v. Wisconsin Right to Life, Inc., 551 U.S. at 470. Moreover, “[i]ssue advocacy conveys information and educates. An issue ad’s impact on an election, if it exists at all, will come only after the voters hear the information and choose – uninvited by the ad – to factor it into their voting decisions.” *Id.* And, of course, we must remember that “contextual factors . . . should

¹² “Debt Clock Long”: <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/30/70jW3Negpm0>.

¹³ “Health/Bad Sign”: <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/33/m5BvNfRi8dg>.

¹⁴ “Health/Baby”: <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/31/gWwnTGkwGwl>.

¹⁵ “Jobs/Thanks a Lot”: http://www.youtube.com/user/CrossroadsGPSChannel#p/u/32/3F11X0_trLk.

seldom pay a significant role” in evaluating whether an ad satisfies the *Wisconsin Right to Life* test. *Id.* at 473-474. Finally, “WRTL does not forfeit its right to speak on issues simply because in other aspects of its work it also opposes candidates who are involved with those issues.” *Id.* at 472.

Complainants’ do not even attempt to undertake an individualized analysis of particular ads that it believes should be subject to regulation, but merely states that *all* of Crossroads GPS’s advertisements (or at least the ads they were able to find quickly on YouTube) were “obviously produced ‘for the purpose of influencing’ the 2010 Congressional elections . . . with all or most also expressly advocating the election or defeat of candidates for federal office.” Complaint at ¶ 37. **To the extent that Complainants offer only conclusory statements, as opposed to specific allegations of wrongdoing, they have not carried their burden of demonstrating that there is reason to believe a violation occurred.**

Complainants specifically refer to eight television ads produced and distributed by Crossroads GPS. *See* Complaint at ¶¶ 38-46. These paragraphs of the Complaint are not accompanied by any analysis, although we presume the Complainants conclusory language in Paragraph 37 is intended to apply to each of the eight specifically referenced advertisements. However, if ¶¶ 38-46 of the Complaint prove anything, it is that Crossroads GPS sponsored a limited number of independent expenditures, which it reported to the FEC, and sponsored far more issue advocacy advertisements. Insofar as Complainant asserts that “all or most [of Crossroads GPS’s television ads] also expressly advocat[e] the election or defeat of candidates for federal office,” *see* Complaint at ¶ 37, the examples they provide at ¶¶ 38-46 prove them wrong.

- Paragraph 38 of the Complaint refers to “Add Up,” which was reported to the FEC as an independent expenditure.
- Paragraph 39 of the Complaint refers to “Choice,” which was reported to the FEC as an independent expenditure.
- Paragraph 40 of the Complaint refers to “Worried,” which is clearly an issue ad under the *Wisconsin Right to Life* test. “Worried” was distributed prior to the electioneering communications period, and urged viewers to call Senator Boxer to urge her to stop Obamacare’s Medicare cuts.
- Paragraph 41 of the Complaint refers to “Hurting,” which is clearly an issue ad under the *Wisconsin Right to Life* test. “Hurting” was distributed prior to the electioneering communications period, and urged viewers to call Congressman Joe Sestak to urge him to stop Obamacare’s Medicare cuts.
- Paragraph 42 of the Complaint refers to “Bad Sign,” which was reported to the FEC as an electioneering communication. It contains no words of express advocacy, and is an issue ad under the *Wisconsin Right to Life* test. “Bad Sign”

urged viewers to contact Kentucky Attorney General Jack Conway to urge him to support other state Attorneys General in their lawsuit against Obamacare's individual mandate provision.

- Paragraph 43 of the Complaint refers to "Calendar," which is an issue ad under the *Wisconsin Right to Life* test. "Calendar" was distributed prior to the electioneering communications period. "Calendar" urged viewers to call Senator Michael Bennet to urge him to "stop the spending spree" by voting against Senate Amendment 4594.
- Paragraph 44 of the Complaint refers to "Lawsuit," which is an issue ad under the *Wisconsin Right to Life* test. "Lawsuit" was distributed prior to the electioneering communications period. "Lawsuit" urged viewers to call Robin Carnahan to urge her to support the Obamacare legal challenge and the Missouri Lieutenant Governor's lawsuit.
- Paragraph 45 of the Complaint refers to "Thanks Harry," which is an issue ad under the *Wisconsin Right to Life* test. "Thanks Harry" was distributed prior to the electioneering communications period. "Thanks Harry" urged viewers to contact Senator Harry Reid to urge him to help Nevada by rejecting new stimulus spending.

Complainants expend considerable effort attempting to establish that the express advocacy standard set forth at 11 C.F.R. § 100.22(b) is valid and applicable. See Complaint at ¶¶ 19-21. The validity of section 100.22(b) is largely irrelevant in this matter because Crossroads GPS fully acknowledges making express advocacy communications, and it has filed independent expenditure reports for those communications.¹⁶ **The communications that Crossroads GPS classifies as grassroots lobbying, education, and issue advocacy do not meet any express advocacy standard.** To the extent that Complainants argue that "all or most" of Crossroads GPS's television advertisements contain express advocacy, they are simply incorrect, and their own Complaint demonstrates as much. Complainants offer only unwarranted, incorrect, and overbroad legal conclusions that are unsupported by the facts.

None of the communications classified by Crossroads GPS as grassroots lobbying or issue advocacy contain the "magic words" of 11 C.F.R. § 100.22(a), nor does any contain an "electoral portion" that is "unmistakable, unambiguous, and suggestive of only one meaning" of which "reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidates." See 11 C.F.R. § 100.22(b). With respect to those advertisements that qualify as statutory electioneering communications, each satisfies Chief

¹⁶ Because we do not believe that any aspect of this matter turns on the validity or applicability of 11 C.F.R. § 100.22(b), we have not included discussion of its constitutionality. If any such discussion is needed, we direct your attention to MUR 5974 (New Summit Republicans), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 4-5, n.10.

Justice Roberts' test in *FEC v. Wisconsin Right to Life, Inc.* for identifying communications that are *not* the functional equivalent of express advocacy.

Scripts of Crossroads GPS's television advertisements are included in the attached materials. The advertisements themselves are available on Crossroads GPS's YouTube channel, at <http://www.youtube.com/user/crossroadsgpschannel>.

3. Other Activities

In addition to the particular television advertisements discussed above, Crossroads GPS has engaged in a broad range of other advocacy activities that Complainants choose to ignore.

- Both before and after the national elections, Crossroads GPS sponsored issue advocacy print advertisements on the tax relief extension issue. See the attached advertisement, urging support for S.3773, the Tax Hike Prevention Act, which was published in *Roll Call* and *Politico* on September 28, 2010, and in *Roll Call* and *The Hill* on November 17, 2010.
- Crossroads GPS sponsored numerous issue advocacy mailings and phone calls.
- Crossroads GPS made grants to other Section 501(c)(4) organizations in calendar year 2010. These grants were made under the condition that the funds be spent on activities consistent with each organization's Section 501(c)(4) exempt purpose.
- In December 2010, Crossroads GPS conducted and publicly related a nationwide public opinion study showing strong support for extending the Bush-era tax rates for all taxpayers, as part of a multifaceted effort to build support for broad-based tax relief.
- Also in December 2010, Crossroads GPS spent hundreds of thousands of dollars on radio advertisements urging the House majority to act on extending the Bush-era tax rates for all taxpayers. The ads ran during a time period when there was considerable uncertainty over what the House leadership would do and whether it would attempt to modify the White House-Senate "deal" on tax rates. Within days after the ads began, the House majority signaled that it would move forward with a straightforward vote to accept the White House-Senate "deal." (The script for these advertisements, titled "Deal," is included in the attachments.)
- Crossroads GPS built and maintains a website, which is described in more detail on pages 15-16 of this Response.
- As noted earlier, Crossroads GPS developed and publicized its "7 in '11" National Action Plan, which lists "seven key priorities for legislative action this fall or in a 'lame-duck' session of Congress or in 2011."

- Crossroads GPS engaged in extensive research to create lists of citizens who are concerned about issues including those in the “7 in ‘11” National Action Plan.

Altogether, Crossroads GPS spent approximately \$23.7 million on activities in furtherance of its Section 501(c)(4) exempt purpose, including issue advocacy and grassroots lobbying communications.

As of December 15, 2010, Crossroads GPS had approximately \$4 million cash on hand, most of which will be spent on activities related to legislative and policy issues in 2011. To put this figure into context, the budget for the Crossroads GPS issue advocacy program in 2011 (although not finalized and approved) is anticipated to be at least \$20 million.

C. Express Advocacy

Crossroads GPS spent \$15,445,039.50 on televised independent expenditures, all of which were reported to the FEC. Crossroads GPS’s 48-hour, 24-hour, and quarterly independent expenditure reports are publicly available on the FEC’s website. An additional \$4,500 was spent on express advocacy phone calls, also reported to the FEC, bringing Crossroads GPS’s total calendar year 2010 independent expenditure figure to \$15,749,171. This figure represents approximately 39% of Crossroads GPS’s calendar year 2010 spending (and does not include the additional \$4 million that Crossroads GPS has already designated for spending on legislative and policy advocacy in 2011).

IV. The Major Purpose of Crossroads GPS is Issue Advocacy, Grassroots Lobbying and Education of the General Public

As noted above, Crossroads GPS has publicly acknowledged making more than \$1,000 in independent expenditures.¹⁷ Thus, unlike most prior political committee status cases, the major

¹⁷ Following the repeal of critical portions of 11 C.F.R. § 100.57, there does not appear to be clear standard for determining when a donation is treated as a “contribution.” We presume that the court-ordered repeal of 11 C.F.R. § 100.57 was also a rejection of the standard set forth in *FEC v. Survival Education Fund, Inc.*, 65 F.3d 285 (2d Cir. 1995). Regardless of what standard the Commission currently uses for determining when a donation is treated as a “contribution,” Crossroads GPS’s fundraising was conducted in a manner appropriate for a Section 501(c)(4) organization. No funds were solicited for the purpose of supporting or opposing the election of clearly identified Federal candidates or for otherwise engaging in Federal political campaign activity. Rather, all solicitations emphasized that any funds raised would support the general mission of Crossroads GPS, which is to educate, equip and mobilize millions of American citizens to take action on the critical economic and legislative issues that will shape our nation’s future in the years ahead. Additionally, no funds were solicited or received for the specific purpose of funding electioneering communications or independent expenditures.

point of contention in this case is *not* whether the organization engaged in express advocacy, but rather, whether Crossroads GPS has Federal campaign activity as its “major purpose.”

A. Overall Activities and Spending

Like another Section 501(c)(4) organization found by the FEC *not* to be a “political committee,” Crossroads GPS “has engaged in a wide range of activities that are not directly related to federal campaign activity.” MUR 5988 (American Future Fund), Factual and Legal Analysis at 7. Crossroads GPS also continues to operate *after* Election Day 2010.

B. Major Purpose Test Considerations

The Commission has no established test for “major purpose” that is reducible to a multi-factor test – *i.e.*, no “bright lines” exist. Rather, the Commission seeks to evaluate the major purpose of an organization based on relatively cryptic judicial statements. The Commission previously explained that “the major purpose doctrine . . . requires the flexibility of a case-by-case analysis of an organization’s conduct that is incompatible with a one-size-fits-all rule.” Supplemental Explanation and Justification on Political Committee Status, 72 Fed. Reg. at 5601. Those seeking to comply with the law are left to navigate a “totality of the circumstances” approach to “major purpose.”

As three Commissioners recently explained, the “major purpose” test is a shield, not a sword:

The “major purpose” test is a judicial construct that spares some organizations from political committee registration and reporting, even though they have raised or spent more than \$1,000 on express advocacy; it is not the first prong of a two-prong test for political committee status. Instead, it is a judicial doctrine designed to protect organizations from the burdens of political committee registration, reporting and limitations, the reach of which is limited to “only encompass organizations that are under the control of a candidate or the major purpose of which is the nomination or election of a candidate.”

MURs 5977 and 6005 (American Leadership Project), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 8.

We bring to the Commission’s attention the following passage from a recent decision of the Tenth Circuit Court of Appeals:

There are two methods to determine an organization's 'major purpose': (1) examination of the organization's central organizational purpose; or (2) comparison of the organization's electioneering spending with overall spending to determine whether the preponderance of expenditures is for express advocacy or contributions to candidates.

New Mexico Youth Organized v. Herrera, 611 F.3d 669, 678 (10th Cir. 2010). The Commission's past practices appear to accord reasonably well with the 10th Circuit's formulation.

1. The Organization's Own Materials and Statements

Past enforcement cases often begin with an examination of the organization's own materials and statements, in accordance with *FEC v. Malenick*, 310 F.Supp.2d 230, 234-35(D.D.C. 2004) and *FEC v. GOPAC, Inc.*, 917 F.Supp. 851, 859 (D.D.C. 1996). This inquiry is consistent with the first method described in *New Mexico Youth Organized* ("examination of the organization's central organizational purpose").

In its Articles of Incorporation, Crossroads GPS "is established primarily to further the common good and general welfare of the citizens of the United States of America by engaging in research, education, and communication efforts regarding policy issues of national importance that will impact America's economy and national security in the years ahead."

A more detailed mission statement of Crossroads GPS is publicly available on its website. It reads:

Crossroads GPS is a policy and grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens to take action on the critical economic and legislative issues that will shape our nation's future in the years ahead.

Our goal is to provide a clear road map for concerned Americans on the most consequential issues facing our country, empowering them to set the direction of policymaking in Washington rather than being the disenfranchised victims of it.

It is no exaggeration to say that this is a watershed moment in America's history. Cataclysmic levels of debt, expansive government power, a nationalized health care system, a struggling economy and looming tax increases are all on the brink of reshaping and potentially devastating the great country we've all known.

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Meanwhile, enduring American values such as freedom, limited government, low taxes and individual responsibility are being trampled underfoot by Washington's political elite.

Crossroads GPS is dedicated to the belief that most Americans don't support the big-government agenda being forced upon them by Washington – and that most people, if equipped with the facts and a road map for action, will work to restore the core principles and values on which this country was founded.

Mission Statement of Crossroads GPS available at <http://crossroadsgps.org/learn-more>.

Crossroads GPS's website highlights the organization's policy goals, including its "7 in '11" National Action Plan, which lists "seven key priorities for legislative action this fall or in a 'lame-duck' session of Congress or in 2011." See <http://crossroadsgps.org/7-in-11>. The seven points in this plan are:

- 1. Guarantee Low Tax Rates that Encourage American Economic Growth*
- 2. Stop Congress' Reckless Waste of Taxpayer Money*
- 3. Aggressively Attack the National Debt*
- 4. Reform Health Care Responsibly, not Ideologically*
- 5. End the Bailout Culture*
- 6. Protect our Borders, Enforce our Laws*
- 7. Prioritize American Energy Development*

Each of these "action items" is explained in more detail on dedicated web pages designed to provide the public with educational information. See <http://crossroadsgps.org/7-in-11>.

Crossroads GPS's primary mission in 2010 and beyond is to advance the "7 in '11" National Action Plan. In doing so, the leadership of Crossroads GPS determined that engaging in *limited amounts* of express advocacy activity serves to advance the "7 in '11" National Action Plan. For example, Crossroads GPS's consistent advertising on wasteful spending projects contained in the 2009 "stimulus" legislation helped create a groundswell of opposition to "earmark"-oriented congressional spending, which led to the adoption of an ban on "earmarks" and bipartisan rejection of the "omnibus" spending bill during the recent "lame duck" session of Congress. Ending "wasteful 'stimulus' spending and pork-barrel earmarks" is a specific policy objective of the "7 in '11" National Action Plan. In the same way, Crossroads GPS expects that its pointed criticism of the health care legislation passed by Congress in 2010 will enhance prospects for repealing or substantially scaling back that legislation in 2011.

Complainants offer several statements, at Paragraphs 31-34 of the Complaint, derived from media stories and accounts, as “evidence” of Crossroads GPS’s “major purpose.” Complainants, however, offer nothing that could be construed as an organizational statement regarding any purpose of Crossroads GPS.

- At Paragraph 31 of the Complaint, Complainants refer to a *Washington Times* article. The language quoted in the Complaint is not a direct quotation from American Crossroads Chairman Mike Duncan, but rather, is nothing more than the author’s paraphrasing. The article contains no quoted statements from any representative of Crossroads GPS concerning the “purpose” (major or otherwise) of Crossroads GPS.
- At Paragraph 32 of the Complaint, Complainants refer to statements made by Karl Rove. Mr. Rove holds no formal position with Crossroads GPS. Even so, the language quoted says nothing about the “purpose” of Crossroads GPS. Rather, Mr. Rove made the factually correct statement that donors who have “maxed out to the senatorial committee, the congressional committee or the RNC and would like to do more, under the Citizens United decision, you can give money to the American Crossroads 527, or Crossroads GPS....” Neither the *Think Progress* item cited in the Complaint, nor the original source material on *Fox News*, convey any information about the “purpose” of Crossroads GPS.
- At Paragraph 33 of the Complaint, Complainants cite a *Politico* story reporting “Crossroads GPS micro-targeting effort” was “focused on seven states - Colorado, Florida, Missouri, New Hampshire, Nevada, Ohio and Washington.” Crossroads GPS engaged in micro-targeting efforts in these and other states. While Complainants appear to presume that “micro-targeting” is some sort of campaign tactic, it is simply research to identify distinguishing characteristics of people concerned about particular issues. “Micro-targeting” is performed by all manner of advocacy and commercial marketing organizations, and its purpose is to aid in more efficient and effective communications. Crossroads GPS’s “micro-targeting” efforts tested its “7 in ‘11” National Action Plan.
- At Paragraph 34 of the Complaint, Complainants refer to another *Politico* story, but as is the case with the *Washington Times* article, the language highlighted by the Complainants is the author’s characterizations. The cited *Politico* report contains no statements from any Crossroads GPS representative regarding the media buys referenced in the Complaint.

In short, the Complainants have not provided a single statement from any representative of Crossroads GPS that in any way suggests that the “major purpose” of Crossroads GPS is something other than the purpose set forth in its Articles of Incorporation or in its website mission statement. Moreover, a thorough review of Crossroads GPS’s actual activities over the

past year, along with its announced intentions for 2011, make clear what the organization's primary and major purpose is, notwithstanding mischaracterizations or stray comments contained in news stories.

2. Sufficiently Extensive Spending

Complainants also pursue the novel theory that "the enormity of Crossroads GPS's express advocacy expenditure activity establishes Crossroads GPS's 'major purpose' as influencing the 2010 federal elections." This language is derived from *Massachusetts Citizens For Life, Inc. v. FEC*, 479 U.S. 238 (1986). In that case, the Supreme Court noted that "should MCFL's independent spending become *so extensive* that the organization's major purpose may be regarded as campaign activity, the corporation would be classified as a political committee." *Id.* at 262 (emphasis added). See also Supplemental Explanation and Justification on Political Committee Status, 72 Fed. Reg. at 5601. While the *Massachusetts Citizens For Life* Court did not explain the "so extensive" standard (and never has), it is readily apparent that the Court examined the whole of the organization's activities. See *Massachusetts Citizens For Life, Inc.*, 479 U.S. at 242 ("Appellee has engaged in diverse educational and legislative activities designed to further its agenda.").

The Complainants do not explain how they reach the conclusion that Crossroads GPS has satisfied the "so extensive" test, but appear to presume that the test can be met simply by crossing some unspecified numeric threshold.

One recent enforcement decision includes language asserting that "[t]he Commission has consistently applied this standard in past matters." See MUR 5988 (American Future Fund), Factual and Legal Analysis at 6, n.2. We disagree with this characterization. In past matters, the Commission has *cited* the "so extensive" language of *Massachusetts Citizens For Life, Inc.*, and perhaps even claimed to *use* the standard, but it has never *consistently applied* the standard in a way that demonstrates any discernible factors. Three Commissioners appear to agree with this assessment:

Though an organization could theoretically satisfy 'the major purpose' test through independent spending that is 'so extensive' that the organization's major purpose may be regarded as campaign activity, neither Congress, nor the Commission, nor the courts have established any guidance on what constitutes sufficiently extensive spending."

MUR 5694 (Americans for Job Security, Inc.), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 16-17.

Two of these Commissioners (Petersen and Hunter) suggested separately that the Commission may lack authority to apply the “so extensive” standard because it has never been explained: “without any ‘bright-line’ rules that are easily understood and followed by those subject to them – contributors, recipients, and organizations – political committee status cannot be imposed on an entity.” MUR 5842 (Economic Freedom Fund), Statement of Reasons of Vice Chairman Petersen and Commissioner Hunter at 24.

The Tenth Circuit Court of Appeals recently determined that the “major purpose” standard cannot be satisfied by simply crossing an arbitrary numeric threshold. The court considered the validity of New Mexico’s “political committee” standard, which provided that “a \$500 a year expenditure for political purposes is sufficient to establish that the organization’s major purpose is political and thus to trigger the requirement that the organization register as a political committee.” *New Mexico Youth Organized v. Herrera*, 611 F.3d 669, 677 (10th Cir. 2010). The court concluded:

here, an organization that spends \$500 on an election-related expense is automatically subject to the reporting requirements and other limitations imposed on a political committee, regardless of what percentage of operating funds that \$500 constitutes or what else the organization spends its resources on. To automatically classify such organizations as political committees contradicts the Supreme Court’s repeated admonition that only organizations that have “the major purpose” of electing or defeating a candidate may be forced to register as political organizations.

Id. at 679.

Assuming for the sake of argument that the “so extensive” standard may be fairly applied in this matter, that standard cannot possibly be satisfied by simply crossing an arbitrary numeric threshold, but rather, must necessarily be based on some proportional comparison of Federal campaign activity to overall organizational activity. See *New Mexico Youth Organized v. Herrera*, 611 F.3d at 678 (describing the second method of determining an organization’s “major purpose” as a “comparison of the organization’s electioneering spending with overall spending to determine whether the preponderance of expenditures is for express advocacy or contributions to candidates”).

By inquiring into an organization’s “major purpose,” it is implied that one is evaluating all of the organization’s various purposes in order to determine if Federal campaign activity is indeed the organization’s “major purpose.” As the Tenth Circuit explained in *New Mexico Youth Organized*, it cannot be the case that if an organization simply spends x amount of dollars on campaign activity, then its “major purpose” is automatically campaign activity.

For example, the *Wall Street Journal* reported that the American Federation of State, County and Municipal Employees (AFSCME) “is now the biggest outside spender of the 2010 elections” and “is spending a total of \$87.5 million on the elections after tapping into a \$16 million emergency account to help fortify the Democrats' hold on Congress.” Brody Mullins and John D. McKinnon, “Campaign’s Big Spender; Public-Employees Union Now Leads All Groups in Independent Election Outlays,” *Wall Street Journal*, Oct. 22, 2010 available at http://online.wsj.com/article/SB1000142405270230339504575566481761790288.html?mod=djemlTP_h. (This figure was raised to \$91 million in an October 26 report in the *New York Times*.¹⁸) Media reports indicate that this figure was virtually the entirety of the union’s total assets.¹⁹

As far as we know, Complainants (as of the date of this filing) have not argued to the FEC that the “enormity” of AFSCME’s election spending, an amount far greater than that of Crossroads GPS in both nominal and percentage terms, means that AFSCME has the “major purpose” of engaging in Federal campaign activity. Complainants’ argument is not rooted in any actual legal authority, is contrary to recent court decisions, and appears to be of value only in filing harassing complaints against those who do not support their far-left agendas. Where the object of the inquiry is “the major purpose” of the organization, the “enormity” of the organization’s political expenditures is meaningful only in relation to its overall activities.

The General Counsel’s Brief issued in MUR 5542 (Texans For Truth) seems to reflect this view. For example, at pages 11-12, the General Counsel:

In its entire existence, TFT has engaged in no activities (other than routine administrative activities and defending itself in this matter) that did not have to do with the presidential election....TFT was not formed until the week of the Republican National Convention and engaged in no activity after the election. It never advocated a candidate in, or even commented on, any other 2004 election, either federal or non-federal, and engaged in no advocacy, advertising, lobbying or any other activity that did not directly relate to the 2004 presidential election.

¹⁸ Steven Greenhouse, “Union Spends \$91 Million on Midterms,” *New York Times*, Oct. 26, 2010, available at <http://thecaucus.blogs.nytimes.com/2010/10/26/union-spends-91-million-on-midterms/>.

¹⁹ Iain Murray and F. Vincent Vernuccio, “The Enemy Within,” *National Review* (Dec. 20, 2010) (“The 1.6-million-member organization spent almost \$90 million — a stunning amount given that the union had only \$97.4 million in assets in 2009. AFSCME was forced to use a \$16 million emergency account and take out a \$2 million loan to pay for its political activities.”) available at <http://www.nationalreview.com/articles/255038/enemy-within-ian-murray>.

While perhaps not fully articulated, it appears that – in MUR 5542 at least – the Commission approached the “so extensive” question not in terms of nominal dollars spent, but in terms of campaign activities *in relation to* other activities. In other matters from the same period, however, the Commission’s methodology is far less clear.

A simple comparison of the amount spent by Crossroads GPS on express advocacy communications (\$15,445,039.50) versus the amount spent on other, non-express advocacy activities (approximately \$23.7 million) in its first 6 months of existence, demonstrates quite clearly that the “major purpose” of Crossroads GPS is *not* Federal campaign activity. Rather, the major purpose of Crossroads GPS is grassroots lobbying, issue advocacy and education of the general public.

V. Conclusion

For the reasons set forth above, we urge the Commission to quickly dismiss this Complaint. Complainant has failed to present any actual evidence of wrongdoing. In fact, despite the length of Complainant’s submission, it does not meet the basic requirements for a Complaint set forth in MUR 4960 (Hillary Clinton) as it rests entirely on “unwarranted legal conclusions,” most of which are a product of Complainants’ fabricated legal standards.

Sincerely,



Thomas J. Josefiak

Michael Bayes

Counsel to Crossroads GPS

Attachments

CROSSROADS GPS TV:30 – “Calendar”

VIDEO	AUDIO
<p>Michael Bennet's Spending Spree</p> <p><u>Michael Bennet</u> Since his appointment: Voted to spend an average \$2.5 billion/ day. U.S. Senate records, <i>thru 8/5/10.</i></p> <p><u>We leaf through a calendar and stop on the following pages, with amount spent.</u> <u>(The calendar does not necessarily reflect what is being spent in the VO copy.)</u></p> <p><u>Graphic/ Calendar:</u> February 13, 2009 Bennet spent \$787 billion H.R. 1, Roll Call Vote #64, 2/13/09</p> <p><u>Graphic/ Calendar:</u> March 10, 2009 Spent \$410 billion H.R. 1105, Roll Call Vote #96, 3/10/09</p> <p><u>Graphic/ Calendar:</u> June 18, 2009 Spent \$106 billion H.R. 2346, Roll Call Vote #210, 6/18/09</p> <p><u>Graphic/ Calendar:</u> August 6, 2009 Spent \$2 billion H.R. 3435, Roll Call Vote #270, 8/6/09</p>	<p>Music Annrcr: Michael Bennet's spending spree. Since his appointment, Bennet has voted to spend \$2.5 billion every single day.</p> <p>Spending billions of your tax dollars on everything from the failed stimulus billions in government pork even cash for clunkers.</p>
<p><u>Graphic/ Calendar:</u> December 24, 2009 Vote to increase Debt \$290 Billion H.R. 4314, Vote #397, 12/24/09,</p> <p><u>Graphic/ Calendar:</u> January 28, 2010 Increase Debt again \$1.9 Trillion H.J.Res 45, Vote #14, 1/28/10</p>	<p>And to pay for some of it? ... Bennet voted twice in 35 days to increase the national debt.</p>

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CROSSROADS GPS

<p>Graphic/ Calendar: March 10, 2010 Spent \$34 billion H.R. 4213, #48, 3/10/10</p> <p>Spend More</p> <p>March 17, 2010 Spent \$18 billion H.R. 2847, Roll Call Vote #55: 3/17/10</p> <p>Borrow More</p> <p>May 27, 2010 Spent \$58.8 billion H.R. 4899, Roll Call Vote #176, 5/27/10</p> <p>Then raise our taxes.</p>	<p>Bennet's way: Spend more ... borrow more</p> <p>... and then raise our taxes.</p>
<p>Michael Bennet's spending spree.</p>	<p>Michael Bennet's spending spree.</p>
<p><u>SUPER:</u> Tell Senator Bennet Stop the Spending Vote No on S. Amdt. 4594 Call: (866) 455-9866 <u>Paid for by Crossroads GPS</u> <u>www.CrossroadsGPS.org</u></p>	<p>Call Senator Bennet. Stop the Spending.</p>

GPS TV:30 "Thanks Harry"

Scene	VIDEO	AUDIO
1	SUPER: ObamaCare Bad For Health Care In America Worse for Nevada	ANNOUNCER: ObamaCare is bad for health care in America ...and worse for Nevada.
2	SUPER: Because When Senator Harry Reid Needed Votes	Because, when Senator Harry Reid needed votes to push ObamaCare,
3	SUPER: Senator Harry Reid Cut Deals To Push ObamaCare Cite: cbsnews.com 12/21/09	He cut sweet deals across the country...
4	SUPER: Harry Reid Helped Nebraska	to help Nebraska . . .
5	SUPER: Harry Reid Helped Louisiana.	to help Louisiana . . .
6	SUPER: Harry Reid Helped Florida	to even help Florida.
7	SUPER: What has Nevada Gotten From Senator Reid? Nevada Has The Highest Unemployment Rate In Nation	What has Nevada gotten From Senator Reid? Record foreclosures and the highest unemployment rate in the nation.
8	SUPER: Reid's Pushing More Govt. Control Of Your Healthcare	And Reid's still pushing for even more government control of your health care.
9	Super: Help For Nevada? Tell Harry Reid: Nevada Needs Jobs Not Government-Run HealthCare. Call: 775-882-7343	Really Harry, how about some help for Nevada?
10	PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. WWW.CROSSROADSGPS.ORG	

IDENTIFICATION

VIDEO	AUDIO
<p>Video: Image of depressed Pennsylvanians, for sale signs</p> <p>Super: "Unemployment stuck at 9.5%" Source: Philadelphia Inquirer, 8/7/10</p> <p>Video: Image pulls back to show Sestak in the "Capitol" with sad Pennsylvanians seen through a window behind him</p> <p>Super: Joe Sestak voted for Big Government Health Care Source: CQ Vote #165 , 3/21/10</p> <p>Super: \$525 billions in job killing taxes Source: CBO, April 12th, 2010</p> <p>Super: Insurance premiums: Additional \$2100 a year for families Source: CBO, November 30, 2009</p> <p>Super: \$500 billion less for Medicare Source: The Washington Post, March 19, 2010</p> <p>Super: Cutting 850,000 Seniors' Medicare Benefits Source: The Henry J. Kaiser Family Foundation</p> <p>Super: Higher taxes & higher premiums, fewer jobs... Medicare cuts</p> <p>Super: The Sestak/ Obama plan... costs us too much</p> <p>Super: Call 610-892-8628. Tell Joe Sestak, stop the Medicare cuts.</p> <p>Disclaimer: Paid for by Crossroads Grassroots Policy Strategies www.crossroadsgps.org</p>	<p>V/O: We're hurting...</p> <p>But what are they doing in Washington?</p> <p>Congressman Joe Sestak voted for Obama's big-government health care scheme...</p> <p>...billions in job killing taxes...</p> <p>And higher insurance premiums for hard hit families...</p> <p>Even worse, Sestak voted to gut Medicare, a \$500 billion dollar cut.</p> <p>....Reduced benefits for 850,000 Pennsylvania seniors</p> <p>Higher taxes and premiums, fewer jobs... Medicare cuts.</p> <p>The Sestak/Obama plan costs us too much.</p> <p>Tell Congressman Sestak, stop the Medicare cuts.</p>

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GPS TV:30"Wrong-Way"

Scene	VIDEO	AUDIO
1	Obama. Health care shot. Higher taxes/Medicare Cuts /Higher Premiums/	ANNOUNCER: Obamacare Is taking health care in the wrong direction.
2	WRONG WAY sign. Jack Conway (official title) pic comes in. Medical shot in background.	And Jack Conway has gone the WRONG way, too.
3	SUPER: Conway Endorsed ObamaCare Higher Taxes, Medicare Cuts	Conway endorsed ObamaCare, with its higher taxes and Medicare cuts.
4	SUPER: Conway Refused to Defend Kentucky from Obama's Health Care Mandate	And Conway refused to join 13 other attorneys general
5	Shot continues Cite: Tom Loftus, The Courier-Journal, 3/25/10	... and defend Kentucky from Obama's health care mandate.
6	Obama and Conway facing one direction. Wrong Way sign ObamaCare Higher taxes/Medicare Cuts /Higher Premiums	ObamaCare and Jack Conway are taking Kentucky's health care down the wrong road.
7	Conway spins 180 degrees away from Obama. Super: Tell Jack Conway Stop Defending ObamaCare Protect Kentucky from the Insurance Mandate Call: 502-696-5300	Tell Jack Conway: turn around. Stop defending ObamaCare and protect Kentucky from the federal insurance mandate.
8	PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. WWW.CROSSROADSGPS.ORG	

CROSSROADS GPS TV:30 -- "Worried"

VIDEO	AUDIO
<p>U.S. Capitol and Senior B-Roll</p> <p><u>SUPER:</u> California seniors are worried.</p>	<p>(Music Up and Under) <u>ANNOUNCER:</u> California seniors are worried.</p>
<p>Barbara Boxer Voted to Cut Medicare \$500 billion <u>CITES:</u> H.R. 4872, Vote #105, 3/25/10 CBSNews.com, 3/21/10</p>	<p>Barbara Boxer voted to cut spending on Medicare benefits by 500 billion dollars.</p>
<p><u>Hospital B-Roll</u> <u>Washington Post Masthead</u> "...hospitals and nursing homes... could stop taking Medicare altogether." <u>CITE:</u> Washington Post, 11/15/09</p>	<p>Cuts "... so costly to hospitals and nursing homes that they could stop taking Medicare altogether."</p>
<p><u>Doctor and Senior B-Roll</u> <u>Washington Post masthead</u> "...would sharply reduce benefits for some senior citizens..." "...could jeopardize access to care for millions of others..." <u>CITE:</u> Washington Post, 11/15/09</p>	<p>Boxer's cuts would "... sharply reduce benefits for some ... and "... could jeopardize access to care for millions of others."</p>
<p><u>Broll</u> Millions WON'T be able to keep plans or doctors Centers for Medicare & Medicaid Services, 4/10</p>	<p>And millions of Americans WON'T be able to keep the plan or doctor they already have. Check the facts and take action.</p>
<p><u>SUPER:</u> Tell Barbara Boxer Stop the Medicare Cuts Call: (415) 403-0100 www.CrossroadsGPS.org PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES</p>	<p>Call Boxer. Stop the Medicare Cuts</p>

UNIVERSITY MICROFILMS

GPS TV: "Thanks a Lot"

TV :30

Scene	VIDEO	AUDIO
1	Capitol/Money SUPER: Harry Reid's \$814 Billion "Stimulus"	ANNOUNCER: With spending already out of control, Harry Reid spearheaded the stimulus-spending bill.
3	b-roll stock shots of Ants SUPER: \$1.9 million To California.	Harry's stimulus sent nearly \$2 million to California to collect ants in Africa. (SFX: Ants marching)
4	b-roll stock chairlifts, snow-making. SUPER: Over \$25 Million to Vermont.	\$25 million for new chairlifts and snowmaking in Vermont. (SFX: Snow making)
5	b-roll stock shot of Venus. SUPER: \$300,000 to Texas.	Almost \$300K to Texas to study weather on Venus. (SFX: rain and thunder)
6	NV unemployment/foreclosure shot SUPER: Nevada - Highest Unemployment Record Foreclosures	Meanwhile, back in Nevada, we still have the highest unemployment and record foreclosures.
7	Super: Tell Senator Reid: Nevada Needs Jobs – Not More Spending Vote No on S. Amdt. 4594 Call: 775-882-7343 CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Really Harry, how about some help for Nevada? Crossroads GPS is responsible for the content of this advertising.

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Crossroads GPS TV30 - "Review"

VIDEO	AUDIO
<p><u>Hollywood premiere with searchlights</u> <u>Movie Poster of Carnahan</u> Super: New ads, by (signature signs on) Robin Carnahan</p>	<p><u>Music</u> <u>Anncr:</u> <u>New ads</u> by Robin Carnahan.</p>
<p><u>Hollywood Movie Marquee</u> <u>Carnahan's photo on the marquee</u> Negative Ads Robin Carnahan 'SUPERS "... false ..." "... phony..." "... misleading..."</p>	<p>The reviews are in false phony... ... misleading ...</p>
<p>Movie Poster: Robin Carnahan 30 Seconds of Smear An Obama/Pelosi Production</p>	<p>Robin Carnahan ... co-starring in an Obama/Pelosi production</p>
<p><u>Trophy: Best Fiction</u> Winner: "Best Fiction" for saying her opponent received the most from lobbyists ... "... not true ..." News-Leader</p>	<p>Winner: "Best Fiction" for saying her opponent received the most from lobbyists ... but "<u>not</u> true".</p>
<p><u>The Star Newspaper:</u> Robin Carnahan "should know better". -Kansas City Star</p>	<p>The Star says, Carnahan "should know better".</p>
<p><u>SUPER:</u> Too dishonest. Too Liberal. Two thumbs down. (over disclaimer) Say NO to Robin Carnahan. CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</p>	<p>Robin Carnahan: Too dishonest. Too liberal. Two thumbs down. Crossroads GPS is responsible for the content of this advertising.</p>

1004741000

Crossroads GPS

"Can't Afford Patty"

1 X :30 TV

VIDEO	AUDIO
<p>Back of woman's head in radio station talking into microphone (re-creation) Graphic: Patty Murray, September, 1992 Graphic: KUOW Radio Debate Graphic - Audio text highlighted</p>	<p>WOMAN V/O "A 4 trillion dollar debt, 9 million people out of jobs . . ."</p>
<p>Graphic: Patty Murray 1992 Graphic: \$4 Trillion Nat'l Debt. Graphic: 9 Million Unemployed.</p>	<p>ANNCR: When Patty Murray first ran for senate, she promised to tackle big problems.</p>
<p>Graphic - Audio text highlighted</p>	<p>"We have a federal government that has failed to deal with these problems."</p>
<p>Graphics: Years tick by 18 years of Patty Murray What's Changed?</p>	<p>ANNCR: So, what difference has Patty Murray made after 18 years in Washington, DC?</p>
<p>Patty continues rising on \$\$ \$14 Trillion National Debt Higher Unemployment Tax Increases</p>	<p>She's increased our national debt by trillions And now she wants to raise taxes to help pay for it.</p>
<p>Money pushes her off the screen Graphic: We Can't Afford 6 More Years of Patty Murray</p>	<p>We just can't afford six more years of Patty Murray.</p>
<p>CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</p>	<p>Crossroads GPS is responsible for the content of this advertising.</p>

16047492871

**Crossroads GPS
:30 TV "Add Up"**

VIDEO	AUDIO
<p>Video: Image of Sestak next to a large calculator... Super: Joe Sestak's Reckless Spending Adds Up.</p> <p>Video: Calculator adds up the spending Super: Joe Sestak... 102 earmarks... \$104 million.</p> <p>Automakers, \$14 Billion Wall Street, \$700 Billion</p> <p>Super: Sestak voted for the failed stimulus... \$814 Billion</p> <p>Super: Sestak voted for massive healthcare takeover \$1 Trillion</p> <p>Video: Calculator breaks Super: Joe Sestak... trillions wasted</p> <p>Super: Sestak increase national debt limit... 4 times</p> <p>Super: Joe Sestak... reckless spending... higher debt...killing jobs. Wrong for Pennsylvania</p>	<p>VO: With Joe Sestak... the reckless spending adds up fast.</p> <p>There's Sestak's earmarks... over a hundred in just 3 years...</p> <p>Sestak backed bailouts for automakers and banks...</p> <p>And Sestak voted for Pelosi's failed stimulus...</p> <p>And Obama's massive healthcare takeover...</p> <p>Trillions of dollars wasted...</p> <p>While Sestak voted repeatedly to increase the national debt limit... adding trillions of dollars</p> <p>Joe Sestak... reckless spending... higher debt... killing jobs...wrong for Pennsylvania.</p>
<p>CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</p>	<p>Crossroads GPS is responsible for the content of this advertising.</p>

1004749237

Crossroads GPS

TV:30 "You Guessed It"

Scene	VIDEO	AUDIO
1	Photo album rotates onto screen. Jack Conway OC SUPER: Jack CON-Way	Jack CON-Way sure lives up to his name.
2	SUPER: "I've represented those who can't stand up for themselves."	JACK OC: "I've represented those who can't stand up for themselves."
3	SUPER: CONWay's job to represent the people Shots of water faucet, gas stove, lamp.	Yet it's CON-way's job to represent the people in negotiating utility rates,
4	SUPER: Utility Rates Up \$175 Million sub head: On Kentucky Families.	But under CON-way's watch, rates have gone up millions on Kentucky families.
5	Turn page to shot of Conway. SUPER: Conway Receives Stock Distributions. 2009: \$157,500, 2010: \$106,000 Total: \$263,500	While Jack CON-Way PERSONALLY received huge stock distributions from... you guessed it, a utility company.
6	SUPER: CONway Helps Himself. SUPER: Kentucky Families Pay	Politicians helping themselves, sticking us with the bill. That's the Jack CON-Way.
7	CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

1004541000M

Crossroads GPS

:30 TV

"Claim"

VIDEO	AUDIO
<p>Video: Shredder and TV Super: Alexi Giannoulis Bright Start</p>	<p>VO: It's Alexi Giannoulis' claim to fame... the Bright Start college savings fund.</p>
<p>Video: Alexi's ad plays</p>	<p>AG: "We're helping parents and grandparents put money away for their kids to go to college."</p>
<p>Super: "...bad investment choices...leading to outsized losses" Source: Chicago Sun Times, 1/14/09</p>	<p>VO: But Illinois families LOST money with Giannoulis in charge...</p>
<p>Super: "Parents Suffered A Total Loss Of Around \$150 Million" Crahn's Chicago Business, 12/22/09</p>	<p>Millions of dollars saved up for kids to go to college... gone...</p>
<p>Video: Child getting a diploma... then picture shredded. Super: Parents trusted Alexi... Alexi let them down.</p>	<p>Parents trusted Alexi... and Alexi let them down.</p>
<p>Super: Broken promises... financial neglect... a dishonest campaign...</p>	<p>Broken promises... financial neglect... a dishonest campaign...</p>
<p>Super: Illinois' can't afford any more Alexi.</p>	<p>Illinois' can't afford any more Alexi.</p>
<p>SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</p>	<p>Crossroads GPS is responsible for the content of this advertising.</p>

4/10/2009 10:44:00 AM

Crossroads GPS

TV 30:

Title: "Choice"

Video

Audio

VIDEO: Pictures of Rubio and Crist
CG: The choice is clear

The choice is clear.

VIDEO: Pic of Rubio
CG: Rubio Stood up for taxpayers
CG: Opposed Obama's Stimulus

Marco Rubio stood up for taxpayers by saying no to the failed Obama "stimulus".

VIDEO: Hug Photo
CG: Crist Embraced Obama
CG: And Failed Stimulus

Charlie Crist embraced it.

VIDEO: Pic of Rubio
CG: Rubio Opposed ObamaCare
CG: Opposed Medicare cuts

Marco Rubio opposed ObamaCare with its \$500 billion Medicare cuts.

VIDEO: Pic of Crist
CG: Crist flip flopped

Charlie Crist...has flip-flopped

VIDEO: Pic of Rubio
CG: Rubio NO to Obama's job-killing energy tax

Marco Rubio says no to Obama's job-killing cap-and-trade energy tax.

VIDEO: Pic of Crist
CG: Crist SUPPORTS Obama's job-killing energy tax

But Crist was pushing it even before Obama was elected.

VIDEO: Pic of Rubio
CG: A check on Obama's Agenda

Florida needs a strong leader to put a check on Obama's agenda. That's Marco Rubio.

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10044644001

Crossroads GPS

"Problem With Patty"

1 X :30 TV

VIDEO	AUDIO
Strong Davis	Strong "We sent Patty Murray to DC . . ." Davis almost 20 years ago."
Herrington	Herrington "That's plenty for Patty Murray"
McCaughy Bergstrom	McCaughy "We trusted her to fix things." Bergstrom "Heck, Patty's become part of the problem"
Corl	Corl "The debt that Patty has supported is going to effect our children for generations."
Burk	Burk "Her bailouts have done nothing"
Admunson	Admunson "For heaven's sake, she supported Obamacare"
The Nelsons	The Nelsons "And that threatens our lives"
Davis	Davis "She's been there too long"
Bergstrom Raymond Corl	Bergstrom "We can't afford . . ." Raymond . . . six more years . . . Corl of Patty Murray."
Patty Illustration over disclaimer.	
CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

10074762329

Crossroads GPS

TV:30"Shocker"

Scene	VIDEO	AUDIO
1	Couple at table paying bills. Electronic zap in background.	(SFX: Electric zap noises.) Utility bills have you shocked?
2	Moving video of Conway into shot. More zaps? Family out. Utility line background in, Conway keeps talking SUPER: Increase KENTUCKY Utility Rates by \$6 million	Jack CONway is supposed to represent YOU against the utility companies, yet he's personally profiting as THEY make more.
3	Electric arcs on the power wires. Lots' of zaps. SUPER: \$263,000 in Stock Dividends to Conway PERSONALLY.	Conway made hundreds of thousands in dividends from a company linked to a utilityCONway allowed to raise rates.
4	SUPER: \$70,000 to Conway from executives, lobbyists and PACS Capitol falls in behind. Conway. More electricity in the air.	And Conway's taken over \$70,000 from executives, lobbyists and PACS of utilities. (SFX: Electric zap noises.)
5	More lighting, electricity in the air. Wrong way Conway sign pops in.	And another shocking example of why... Jack Con Way is the Wrong Way ...for Kentucky
6	CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

10047402007

Crossroads GPS

TV 30:

Title: "Colors"

Video

Audio

VIDEO: Pic of Crist and news clip
CG: Charlie Crist
CG: "campaign chameleon, shifting shape and changing colors"
CITE: Tampa Tribune-September 1, 2010

VIDEO: Crist-Obama hug photo
CG: embraced Obama's failed economic "stimulus"

VIDEO: ATR Pledge
CG: Broke Pledge, Raised Taxes

VIDEO: Plane-postcards of Europe
London, Paris, St. Petersburg, Madrid
CG: \$400,000 taxpayer trip to Europe

VIDEO: Christ photo stick or fishing pole, images flash through hug photo,
CG: Vote No
[We Can't Afford.]
Chameleon Charlie Crist

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WWW.CROSSROADSGPS.ORG

Chameleons change color all the time

So does Charlie Crist

Charlie Crist say's he's a fiscal conservative, but embraced Obama's failed "stimulus" that put us in debt while we lost jobs.

He pledged not to raise taxes - then broke his word.

And spent our taxpayer dollars on a luxury trip to Europe.

Charlie Crist: embracing Obama, raising taxes, and wasting our money.

We don't need another chameleon in Washington.

Crossroads GPS is responsible for the content of this advertising.

10/20/2010 14:40:01

Crossroads GPS
:30 TV "Consistent"

VIDEO	AUDIO
FOX BUSINESS ANCHOR	"A scandal deepens...."
SUPER: More troubling news about Alexi.	More troubling news about Alexi Giannoulias...
CHRIS MATTHEWS ON CAMERA CUT FROM MATHEWS, HEAR HIS VOICE, SUPER: "Alexi Giannoulias seems to be telling voters one thing, and the Internal Revenue Service another" <i>-SOURCE: CBS News, Sept 29, 2010</i>	"...Giannoulias told voters he left his family's troubled bank back in 2005, but he told the IRS he was still working there in 2006, that enabled him to take a two point seven million dollar tax deduction..."
ALEXI on Morning Joe	"I've been consistent from the very beginning..."
SUPER: "Giannoulias' explanation of bank hours changes...again" SOURCE: WLS - AM, October 7, 2010	Not true. His story keeps changing.
ALEXI at debate SUPER: Alexi Giannoulias: "We need an income tax increase"	The only thing he's not changed his story on... "we need an income tax increase."
SUPER: Tax scandal for Alexi. More taxes for you.	
Super: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

100414000000

Crossroads GPS

TV:30 "Enough"

Scene	VIDEO	AUDIO
1	Start of negative ad: Dark music, dark shots of Harry Reid and Capitol. Over the top political ad feel. Graphics: 27 years.	BOB: (very ANNOUNCER-ly): Senator Harry Reid, for 27 years, he's...(SFX: Screech.)
2	Scene freezes. No supers. Just frozen. Cracks, rips open.	Wait a minute.
2	Bob North on camera	Are you tired of all these negative political ads?
3	Bob takes off headset. Pull back and pan left. Putting Bob screen right with left side of screen for supers over foam wall. Scene continues.	(tone turns much more conversational): Ok, how about just the facts?
4	SUPERS (on screen left): Harry Reid's Nevada. (Rest of supers come on as announcer says then one at a time: <ul style="list-style-type: none"> - Highest unemployment - Highest foreclosure rate - ObamaCare - More national debt - Wall Street Bailout 	Nevada has the highest unemployment in the country. The highest foreclosure rate. Instead of fixing these problems, Harry Reid's made it worse pushing ObamaCare, more national debt, the Wall Street Bailout. Pretty simple.
5	Bob puts back on headphones	With that record, that's really all you need to know.
6	SUPER: NO on Harry Reid	Crossroads GPS is responsible for the content of this advertising.
7	CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	

10004101000001

Crossroads GPS

"Patty's Promises"

1 X :30 TV

VIDEO	AUDIO
Patty Murray from 1992 debate	Patty Murray from 1992 debate I will fight on the floor of the US Senate to put in place a long-term budget deficit reduction plan...
Mandy Raymond	Mandy Raymond I wouldn't let Patty balance my checkbook.
Patty from 1992	Patty from 1992 ...we can assure our future generations that there will be jobs.
Jenna Davis	Jenna Davis My brother's unemployed, my friends are losing their homes, and I'm sick of it.
Glenn Avery	Glenn Avery Patty is burying small business under an avalanche of taxes and regulation.
Katie Corl	Katie Corl I think she's been there too long.
Senior Couple	Senior Couple Let's retire Patty Murray
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1 8 0 0 4 4 4 6 2 8 8 8 2

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 315,655 Indianans unemployed	VO: Indiana's economy is reeling...
Super: Joe Donnelly making it worse	And Congressman Joe Donnelly is making it worse.
	While he should be helping us...
Super: Donnelly supported Nancy Pelosi's failed agenda	He's supporting Nancy Pelosi and her failed agenda....
Super: Voted for billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals and handouts for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt... helping Pelosi, not us...
Super: Joe Donnelly... wrong for Indiana	Joe Donnelly ... wrong for Indiana
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. <u>WWW.CROSSROADSGPS.ORG</u>	Crossroads GPS is responsible for the content of this advertising.

1904444628887

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 590,809 Ohioans unemployed	VO: Ohio's economy is reeling...
Super: John Bocchieri making it worse	And Congressman John Bocchieri is making it worse.
Super: Bocchieri supported Nancy Pelosi's failed agenda	While he should be helping us... He's supporting Nancy Pelosi and her failed agenda....
Super: Voted for billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals and handouts for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt... helping Pelosi, not us...
Super: John Bocchieri... wrong for Ohio	John Bocchieri ... wrong for Ohio
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

10004741048800

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 987,151 Texans unemployed	VO: Our economy is reeling...
Super: Ciro Rodriguez making it worse	And Congressman Ciro Rodriguez is making it worse.
	While he should be helping us...
Super: Rodriguez supported Nancy Pelosi's failed agenda	He's supporting Nancy Pelosi and her failed agenda....
Super: Voted for billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals and handouts for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt... helping Pelosi, not us...
Super: Ciro Rodriguez... wrong for Texas	Ciro Rodriguez ... wrong for Texas
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

100809144001

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 207,715 Minnesotans unemployed	VO: Minnesota's economy is reeling...
Super: Jim Oberstar making it worse	And Congressman Jim Oberstar is making it worse.
	While he should be helping us...
Super: Oberstar supported Nancy Pelosi's failed agenda	He's supporting Nancy Pelosi and her failed agenda....
Super: For billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814 billion 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt... helping Pelosi, not us...
Super: Jim Oberstar... wrong for Minnesota	Jim Oberstar ... wrong for Minnesota
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

11/03/2011 11:00:00 AM

JUST WHEN YOU THOUGHT IT WAS SAFE TO CREATE JOBS...



AMERICA'S ECONOMY CAN'T SURVIVE A TAX ATTACK.

Fifteen million Americans unemployed. So what do some in Congress want to do? Raise taxes aimed squarely at the small businesses and entrepreneurs with the know-how to create the jobs we need.

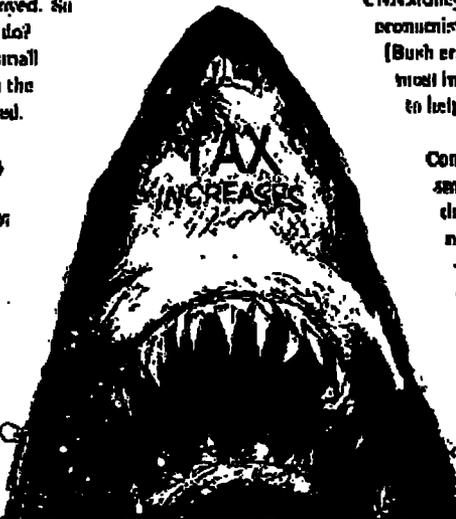
Congress already squandered \$814 billion on the failed "stimulus" scheme, driving us deeper into debt while 1.3 million more Americans lost jobs. So what's the sequel to this tax office bomb? Impose job-killing tax increases to pay for Congress's expensive economic mistakes.

We've seen this movie before, and the ending doesn't get any better.

In a recent survey conducted by CNNMoney.com, a majority of leading economists agreed that "extending the (Bush era) tax cuts for all taxpayers is the most important thing Congress can do to help the economy."

Congress needs to give America's small businesses and entrepreneurs the certainty and security they need to start creating jobs again - no double-down on a failed economic strategy.

Raising taxes during a jobs crisis? Two thumbs down.



FIGHT FOR AMERICAN JOBS. STOP THE TAX ATTACK.
Support S. 3773, the Tax Hike Prevention Act.

Funded by Crossroads GPS and the Public Budget.

Crossroads **GPS**
www.crossroadsgps.org

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September 9, 2011

Christopher Hughey, Esq.
General Counsel's Office
999 E Street, NW
Washington, DC 20463

**Re: Supplemental Response of Crossroads Grassroots Policy Strategies in MUR
6396**

Dear Mr. Hughey,

This Supplemental Response is submitted by the undersigned counsel on behalf of Crossroads Grassroots Policy Strategies (Crossroads GPS), in response to the Complaint designated as Matter Under Review 6396. Subsequent to the submission of our Initial Response on December 22, 2010, Crossroads GPS has engaged in substantial activity that we believe is relevant to the resolution of this MUR. Specifically, Crossroads GPS has devoted substantial resources to a variety of issue advocacy, watchdog and accountability projects during January – August 2011 that further demonstrates that the “major purpose” of Crossroads GPS is not Federal campaign activity, but in fact the consistent advancement of legislative and policy that promotes fiscal discipline and economic growth.

As previously noted, Crossroads GPS's most recently completed fiscal year ran from June 1, 2010 to May 31, 2011. Our Initial Response detailed spending activity through December 15, 2010. We continue to believe that Crossroads GPS is, and always has been, in full compliance with the Federal Election Campaign Act (FECA) and all applicable FEC regulations, and has never qualified as a political committee. Activities undertaken by Crossroads GPS from December 2010 – August 2011 underscore and reinforce this fact.

Crossroads GPS has not engaged in any express advocacy during 2011. Rather, throughout 2011, Crossroads GPS has worked to influence the policy debate in Washington focusing on the same set of issues that it worked to advance through its advocacy activities in 2010. This does not represent a change in direction for the organization, but an unbroken continuum of policy advocacy aimed at a consistent set of legislative and regulatory outcomes.

Crossroads GPS has expended considerable resources from December 2010 to the present on grassroots issue advocacy and “watchdog” and accountability projects.

I. Grassroots Issue Advocacy

A. Post-Election, Lame Duck Session Advocacy

During the lame duck session held in December 2010, Crossroads GPS distributed radio advertisements urging listeners in 12 House districts to call their Representative and urge him or her to vote against efforts to allow some or all of the so-called “Bush tax cuts” to expire at the end of 2010. The ads urged: “Call Congressman/woman [name] at [phone number]. The him/her to stand up to Pelosi and demand a vote. It’s time to cut spending, NOT raise taxes.” See Exhibit 1.

B. Print Advertising

On January 18, 2011, Crossroads GPS ran print advertisements in several Capitol Hill-based newspapers, including CQ/Roll Call, The Hill, and Politico, urging the repeal of The Patient Protection and Affordable Care Act, and the adoption of true bipartisan health care reform. See Exhibit 2. This advertisement contained no language advocating the election or defeat of any clearly identified candidate for federal office, and is unquestionably a genuine grassroots issue advertisement.

C. State of the Union

On January 25, just before President Obama delivered his State of the Union address, Crossroads GPS issued a “Prebuttal on Competitiveness,” in which Crossroads GPS “urge[d] viewers to compare the President’s rhetoric with his anticompetitive regulatory agenda, and urge him to start the process by repealing the new rules and regulations that started on his watch.” See Exhibit 3.¹ This document focused on various legislative and regulatory burdens that “if reversed, would immediately foster more competition and a better environment for both small and large businesses.” *Id.*

D. Radio Advertising In Support of Spending Cuts

In late February, Crossroads GPS launched a series of radio advertisements in 22 House districts that urged listeners to call their Member of Congress regarding that Member’s recent vote on the budget. Crossroads GPS President Steven Law said of the ads: “One of our top

¹ Exhibit 3 is also available at <http://crossroadsgps.org/news/crossroads-gps-prebuttal-competitiveness>.

priorities this year is to use educational spots to frame the issue debate for congressional action on reining in spending, blocking job-killing regulations and dismantling ObamaCare, and we identified the President's Day recess as a key inflection point in the national debate." See Exhibit 4.²

One version of the advertisement consisted of the following language:

"Government is not the solution to our problem. Government is the problem." It's been 30 years since President Reagan spoke those words. Their truth hits home today. The American dream is being suffocated by the explosive growth of government under President Obama and Nancy Pelosi. In 2010, Americans told Washington, "Stop the spending, and put America back to work." But President Obama proposed a budget that increases taxes, spending, and debt, and last week, Members of Congress like [name] voted to continue the failed spending policies of Pelosi and Obama. They just don't get it. Call Congressman [name] at [phone number]. Tell him that voting against budget cuts doesn't cut it. Tell him to stop the spending now, to make America great again. Paid for by Crossroads GPS.

A second version of the advertisement consisted of this language:

"Government is not the solution to our problem. Government is the problem." It's been 30 years since President Reagan spoke those words. Their truth hits home today. The American dream is being suffocated by the explosive growth of government under President Obama and Nancy Pelosi. In 2010, Americans told Washington, "Stop the spending, and put us back to work." Last week responsible Republicans said "no" to President Obama's latest budget of more taxes, spending, and debt. They began the hard work of reining in runaway government spending. Call Congressman [name] at [phone number]. Thank him for voting for budget cuts to set our economy free. Tell Congressman [name] to keep making the budget choices that will make America great again. Paid for by Crossroads GPS.

In late July, Crossroads GPS aired a radio advertisement in Utah supporting Senator Hatch's efforts to reducing spending by dismantling The Patient Protection and Affordable Health Care Act, and urging him to remain committed to ending the individual mandate. The script of this advertisement, titled "No Way," is attached as Exhibit 5.³

E. Union-Related Advocacy

² Exhibit 4 is also available at <http://crossroadsgps.org/news/crossroads-gps-launches-new-issue-ads-22-us-house-districts-nationwide>.

³ "No Way" can be heard at <http://www.youtube.com/watch?v=cwIQWah7eTg&feature=related>.

On March 9, 2011, Crossroads GPS launched a nationwide television advertisement urging President Obama “to stop siding with big government union bosses and support government union reform.” This advertisement (“The System”) ran on national cable channels for one week. The ad script is attached as Exhibit 6.⁴ “The System” urges viewers to tell President Obama that “you’ve had enough” and to “call on him to support government union reform.”

On May 19, 2011, Crossroads GPS launched a web video focused on the labor unions that received waivers from the Obamacare mandate.” The advertisement (“Waivers”) asks viewers to call the White House to inquire about the more than 185 waivers from “Obamacare” that had been issued to labor unions at the time and to ask the President to “come clean” on the issue. The ad script is attached as Exhibit 7.⁵

The Crossroads GPS website also includes a “Government Union Reform Action Center” section, which provides more information on government union reform issues, including the proposed federal Public Employee Pension Transparency Act and the New Jersey “executive order prohibiting public employee unions from engaging in political activity aimed at electing politicians with whom they can bargain collectively.” See <http://crossroadsgps.org/keyissues>. The website also provides ways for visitors to contact their elected representatives to express their concerns.

F. Jobs, Economy, and Debt Initiative

On June 24, Crossroads GPS launched its biggest advocacy program of the year: an issue advocacy initiative “to frame the national debate on jobs, the economy and the national debt in anticipation of congressional action on these issues.” See Exhibit 8.⁶ The purpose of this initiative was to “move the center of debate toward cutting spending and the national debt without raising taxes, and pursuing pro-growth policies that will promote job creation.” *Id.*

The “Jobs, Economy, and Debt” initiative began with a national television advertisement focusing on “the Obama Administration’s failure to improve the economy with its \$830 billion stimulus legislation and other policies” and to urge citizens to weigh in against President

⁴ “The System” can be viewed at <http://www.youtube.com/watch?v=QaSnDrZNEg8>.

⁵ “Waivers” can be viewed at <http://www.youtube.com/watch?v=UE7X8v1G6Oo>.

⁶ Exhibit 8 is also available at <http://crossroadsgps.org/news/crossroads-gps-launches-20-million-national-television-initiative-frame-debate-jobs-economy-deb>.

Obama's request for a "clean" debt limit extension *Id.* This first advertisement was called "Shovel Ready," and the script is attached as Exhibit 9.⁷

"Shovel Ready" was followed by three versions of the advertisement "Wake Up" on July 8, 2011, including one in Spanish. Scripts of the three versions of the advertisement are attached as Exhibit 10-A, Exhibit 10-B, and Exhibit 10-C.⁸ (The Spanish language ad, titled "Despertarse," was a translation of the 60-second version of "Wake Up."⁹) The "Wake Up" ads called on viewers to take action in opposition to proposals for more spending and taxes in connection with the debt limit extension. The ads directed viewers to the website www.NoMoreBlankChecks.com, which provided more information on the issue and provides visitors with all the advocacy tools needed to contact their representatives in the U.S. House and Senate.

While the "Wake Up" ads ran nationally, Crossroads GPS ran additional ads in five states, and urged viewers to contact one of their Senators with the message, "No more reckless spending, no more new taxes, and no more blank checks." These ads contrasted the five Senators' claims of fiscal austerity with their recent votes. Scripts of the five "Change" advertisements are attached as Exhibit 11.¹⁰ As noted in a release, "[t]he new spots are part of a summer-long, \$20 million effort by Crossroads GPS to urge decisive action by Congress to cut spending and the national debt and start rebuilding the nation's economy." See Exhibit 12.¹¹

The final phase of the "Jobs, Economy, and Debt" initiative was launched on July 18, 2011, and focused on 10 members of the House of Representatives deemed susceptible to

⁷ "Shovel Ready" may be viewed at <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/11/sVVSbnumO-s>.

⁸ The two versions of "Wake Up" can be viewed at <http://www.youtube.com/watch?v=ESAszBVMnC4> and <http://www.youtube.com/watch?v=U50Rmitaxzo>.

⁹ "Despertarse" can be viewed at <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/11/sVVSbnumO-s>.

¹⁰ The "Change" ads may be viewed at the Crossroads GPS YouTube channel (<http://www.youtube.com/user/CrossroadsGPSChannel#p/u>). Direct links appear below:

1. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/9/1tbFpTaD85s>
2. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/8/n8ZjWzpm-aw>
3. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/7/EuhG2yZkkEw>
4. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/6/TVVs9Z2Z3qY>
5. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/5/91V2WFurWV8>

¹¹ Exhibit 12 is also available at <http://crossroadsgps.org/news/crossroads-gps-launches-7-million-second-phase-advocacy-campaign-government-spending-and-debt>.

supporting debt reduction and pro-growth economic policies if urged by their constituents. "The ads encourage constituents to visit the Crossroads GPS www.NoMoreBlankChecks.com website to contact their Representatives and say no to more taxes, spending and debt." See Exhibit 13.¹² Scripts of the 10 versions of "Watch" are attached as Exhibit 14.¹³

On July 19, Crossroads GPS formally endorsed H.R. 2560, the Cut, Cap, and Balance Act of 2011, finding it to be "a way to bring fiscal responsibility back to Washington." See Exhibit 15.¹⁴ Crossroads GPS subsequently "announced its support for House Speaker John Boehner's debt reduction plan." See Exhibit 16.¹⁵ Crossroads GPS noted that "[t]his support comes after the group has spent millions of dollars on a televised issue advocacy campaign framing the national debate on jobs, economy and debt." *Id.*

II. Watchdog and Accountability Projects

On February 17, 2011, Crossroads GPS submitted a Freedom of Information Act request to the Department of Transportation seeking "any and all cost-benefit analyses created by or on behalf of the Federal Railroad Administration related to the construction of a national high-speed and intercity passenger rail network...." See Exhibit 17.¹⁶ This potentially enormous expense was included in President Obama's FY2012 budget, and Department of Transportation officials

¹² Exhibit 13 is also available at <http://crossroadsgps.org/news/crossroads-gps-targets-10-house-members-advocacy-campaign-government-spending-and-debt>.

¹³ The "Watch" ads may be viewed at the Crossroads GPS YouTube channel (<http://www.youtube.com/user/CrossroadsGPSChannel#p/u>). Direct links below:

1. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/20/EyiXBsxWlg0>
2. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/19/41alb4LOYKO>
3. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/18/vUBalqcE30c>
4. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/17/1Txgleun7zc>
5. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/16/5D8l31wR22M>
6. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/15/Ot-oloZByXc>
7. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/14/zsK93JOkMI8>
8. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/13/XYcLGnpMyhw>
9. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/12/l6oPeiZsS8M>
10. <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/21/baSvymGpP9w>

¹⁴ Exhibit 15 is also available at <http://crossroadsgps.org/news/crossroads-gps-endorses-hr-2560-cut-cap-and-balance-act-2011>.

¹⁵ Exhibit 16 is also available at <http://crossroadsgps.org/news/crossroads-gps-announces-support-speaker-boehner%E2%80%99s-debt-reduction-plan>.

¹⁶ Exhibit 17 is also available at <http://crossroadsgps.org/news/foia-letter-high-speed-rail-costbenefit-analyses>.

referenced, and subsequently confirmed the existence of, cost-benefit analyses that were not publicly available. On April 27, Crossroads GPS was able to report that the response it received to its FOIA request indicated that the Department of Transportation had not conducted any cost-benefit analyses for this budget proposal. See Exhibit 18.¹⁷

On March 23, 2011, Crossroads GPS launched a new project called "Wikicountability." This project, which is located at www.wikicountability.org:

is designed to crowd-source information gleaned from Freedom of Information Act (FOIA) requests and other public documents by organizations, individuals and journalists. The wiki site will facilitate efficient sharing of public information about the Obama Administration, as well as spotlight violations of FOIA by the Obama Administration.

The new initiative is designed to make federal departments and agencies more accountable to the public. Groups and individuals will be able to upload their own FOIA requests and responses to the website, creating a national clearinghouse for data concerning the Obama Administration. Thousands of pages of information from the Departments of Labor and HHS have already been uploaded to the site, and Crossroads is encouraging other groups and individuals to upload their own FOIA information to the site as well.

See Exhibit 19.¹⁸ As of August 15, 2011, the Wikicountability website had accumulated 788 pages of FOIA documents, totaling 522 uploads, and representing 65 different FOIA requests.

Also on March 23, 2010, GPS filed a lawsuit against the U.S. Department of Health and Human Services to force the release of information, requested under the Freedom of Information Act, concerning Obamacare waiver requests. See Complaint attached as Exhibit 20. Per the Complaint, "Crossroads GPS submitted its FOIA request to HHS on January 7, 2011, and HHS acknowledged its receipt of the request on January 11, 2011. After repeated attempts by letter, phone, email and fax to generate action on the request, no action has been taken, despite the 20 day statutory limit on fulfilling FOIA requests." See Exhibit 21.¹⁹ As Crossroads GPS noted at the time, "As of March 6, more than 1,000 waivers have been given to organizations granting a

¹⁷ Exhibit 18 is also available at <http://crossroadsgps.org/news/wikicountability-news-foia-reveals-obama-administration-failed-prepare-cost-benefit-analyses-53>.

¹⁸ Exhibit 19 is also available at <http://crossroadsgps.org/news/crossroads-gps-launches-new-online-platform-wikicountabilityorg-crowd-source-obama-administrati>.

¹⁹ Exhibit 21 is also available at <http://crossroadsgps.org/news/crossroads-gps-sues-obama-administration-over-failure-release-obamacare-waiver-documents>.

vendors, and the IRS." ("National Taxpayer Advocate Report to Congress 2011," IRS.gov, <http://www.irs.gov/pub/irs-utl/nta2011objectivesfinal.pdf>)

EPA's anti-energy regulations: The administration's anti-energy regulatory agenda has all but stopped new power generation, with 29 new regulations and 172 major policy rules:

- "The scale of the EPA's current assault is unprecedented, yet it has received almost no public scrutiny. Since Mr. Obama took office, the agency has proposed or finalized 29 major regulations and 172 major policy rules. This surge already outpaces the Clinton Administration's entire first term—when the EPA had just been handed broad new powers under the 1990 revamp of air pollution laws. A case study in the [EPA Administrator Lisa Jackson's] method is the EPA's recent tightening of air-quality standards for sulfur dioxide... The uncertainty created by the SO₂ rule and similar rule-makings has resulted in a near-total freeze on EPA permits, imposing a de facto project moratorium that will last for the next 18 months at minimum. North Dakota, Texas, Louisiana, South Dakota and Nevada are already suing the EPA because of the restrictions they now face on their "ability to permit new sources or expand existing sources," and many more states are expected to join them" ("The EPA Permatatorium," The Wall Street Journal, November 22, 2011)

Job losses and higher energy prices because of Obama's offshore drilling restrictions: More than 20,000 workers are unemployed or underemployed due to regulations on offshore drilling:

- "Because the Interior Department stopped issuing permits after the BP well blew out in 2010, drilling in the Gulf of Mexico has ground to a halt, with 33 rigs idled, a decline of \$1.8 billion in spending by oil drillers, and 23,000 workers unemployed or underemployed. ("Obama Approaches Regulations Backwards," RealClearMarkets.com, January 20, 2011)

ObamaCare's 159 new boards and bureaucracies: ObamaCare includes at least 159 new offices agencies, and programs, and will likely generate more than 30,000 pages of regulations, many of which will impact businesses and America's health care sector in numerous ways:

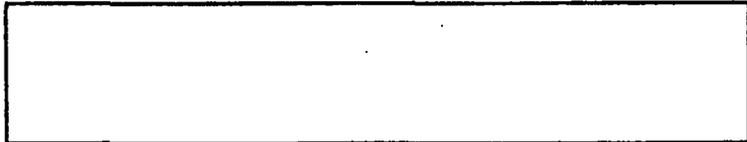
- "ObamaCare includes 159 new offices, agencies, and programs. The word "secretary" shows up in the ObamaCare legislation 3,267 times. "Fees" and "Penalty" or "Penalties" show up 450 times. .. The 2,700-page ObamaCare legislation will likely generate over 30,000 pages of regulations and guidelines. More than 700 new regulators have been hired to write the new rules. Over 17,000 new IRS agents will enforce new purchasing mandates, administrative mandates, income limits, fees, and penalties. Each new agency will write rules and guidelines to define and restrict choice." ("Health Reform: Going Forward or Backward," The Daily Caller, September 28, 2010)

Crossroads GPS is a policy and grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens to take action on the critical economic and legislative issues that will shape our nation's future in the years ahead.

For more information, contact Jonathan Collegio at jcollegio@crossroadsgps.org or (202) 559-6424.

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Crossroads GPS

Hatch – NO WAY

1 X :60 RADIO

	AUDIO
Obama	"That's why, under my plan, individuals will be required to carry basic health insurance."
Narrator	President Obama sees an America of-the-government, by-the-government, and for-the-government.
	But our Senator Orrin Hatch refuses to let the greatness of America be destroyed from within by high taxes and crushing debt.
	Senator Hatch led the fight against ObamaCare and is now working to dismantle it – piece by [big-government] piece.
	His Bills would repeal ObamaCare's individual and employer mandates that will restrict our freedom and cost us jobs.
	And Senator Hatch is fighting to reverse ObamaCare's 500 billion in Medicare cuts, massive tax increases, and a new IRS-like Medicare board, where bureaucrats with unprecedented power get to make decision about seniors' health care and treatment options.
	Senator Hatch says – NO WAY.
	Call Senator Hatch. Tell him you agree. To protect our freedom and quality health care, keep fighting to repeal Obamacare.
	Paid for by Crossroads GPS

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CROSSROADS GPS TV :60 – “THE SYSTEM”

VIDEO	AUDIO
<p><u>SUPER:</u> WHY did a Democrat Congressman say...</p> <p><u>NAME ID:</u> Rep. Mike Capuano 2/22/11</p>	<p><u>ANNOUNCER:</u> Why did a Democrat Congressman say?</p> <p><u>CAPUANO CLIP:</u> “...you need to get out in the streets and get a little bloody when necessary...”</p>
<p><u>HEADLINES:</u> Legislators flee state to halt vote Politico 2/17/11</p> <p>Missing senators rely heavily on union campaign dollars Milwaukee Journal Sentinel 2/28/11</p>	<p><u>ANNOUNCER:</u> Why are Democrats shutting down state capitols?</p>
<p>Photo of Trumka Union protestors photo</p> <p><u>SUPER:</u> Unionized Government Workers Paid 42% More Than Non-Union Workers</p> <p><u>CITE:</u> Cato Institute, “Public-Sector Unions”, 3/2010</p> <p><u>SUPER:</u> Hundreds of Millions of Dollars In Mandatory Union Dues</p>	<p><u>ANNOUNCER:</u> To protect a system that pays unionized government workers 42% more than non-union workers.</p> <p>...a system that collects hundreds of millions in mandatory dues to back liberals who support government unions.</p>
<p>Video of Obama at SEIU convention</p> <p><u>SUPER:</u> September 2007</p>	<p><u>OBAMA CLIP:</u> ... they walked doors for me, they made phone calls for me, they turned out the vote for me.</p>
<p><u>NAME ID:</u></p>	<p><u>ANNOUNCER:</u></p>

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<p>NEA General Counsel Bob Chanin July 2009</p> <p><u>TEXT:</u> "...It is not because We care about children. And it is not because we have a vision of a great public school for every child. NEA and its affiliates are effective advocates because we have power. And we have power because there are more than 3.2 million people who are willing to pay us hundreds of millions of dollars in dues..."</p>	<p>One union boss explains:</p> <p><u>CHANIN:</u> "...It is not because we care about children. And it is not because we have a vision of a great public school for every child. NEA and its affiliates are effective advocates because we have power. And we have power because there are more than 3.2 million people who are willing to pay us hundreds of millions of dollars in dues..."</p>
<p><u>SUPER:</u> Tell President Obama: You've Had Enough Call On Him To Support Government Union Reform</p> <p>www.CrossroadsGPS.org</p> <p><u>DISCLAIMER:</u> PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES</p>	<p><u>ANNOUNCER:</u> Tell Obama you've had enough.</p>

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VISUALS	AUDIO
<p>They demanded Obamacare</p>	
<p>Andy Stern shouting angrily in SEIU speech</p>	<p>ANDY STERN: "Isn't it time!? Isn't it time!?" http://bit.ly/2wCyZ5 (0:35)</p>
<p>The Union Bosses</p>	<p>JOSEPH HANSEN: "We demand Congress...to bring about health care reform" http://bit.ly/ea4Fbl (2:09)</p>
<p>A little bit of Hansen speaking</p>	<p>ANDY STERN: "proudly join our Canadian brothers and sisters" http://bit.ly/2wCyZ5 (0:27)</p>
<p>TEXT: "They Shoved Health Care Down Our Throats"</p>	<p>DENNIS RIVERA: "universal health care" http://bit.ly/eAf2AJ (1:21)</p>
<p>A little bit of Stern Cut to a shot of Canada, flag</p>	<p>ANDY STERN: "Isn't it time we do that!?" http://bit.ly/2wCyZ5 (0:35)</p>
<p>Rivera speaking</p>	<p>SEIU WOMAN: "The power!" http://bit.ly/eAf2AJ SEIU MEMBERS: "S-E-I-U!" http://bit.ly/eAf2AJ</p>
<p>Back to Stern's angry shouting</p>	<p>OBAMA: "I'm signing this bill for all the leaders who took up this cause..." http://bit.ly/77G8l (2:04)</p>
<p>TEXT: "March 23, 2010" Picture of Obama signing the health care bill</p>	<p>ANDY STERN: "This is a result of the hard work of SEIU" http://www.youtube.com/watch?v=OB3_w6QXu4 (3:17)</p>
<p>"We Won"</p>	<p>ANNA BERGER: "We have health care, we won!" http://bit.ly/eCzHWu (1:20)</p>
<p>TEXT: "Unions spent almost \$120 Million to back liberals like Obama, Pelosi and Reid to push their union agenda"</p>	<p>FNC'S MEGAN KELLY: "Is the Obama Administration exempting some from complying with the new health care law as a political favor?" http://bit.ly/fmwL6b</p>
<p>TEXT: "One Year Later..."</p>	<p>KELLY: "unions who are getting waivers not to comply with the health care law" http://bit.ly/eIMPlu (1:05)</p>
<p>TEXT: "Why are the same unions that forced ObamaCare on us now getting exempted from it?"</p>	<p>STUART VARNEY: "It really pays to be friends with the White House." http://bit.ly/gHOAqe</p>
<p>TEXT: "Obama won't say."</p>	

<p>TEXT: [Caption matches Trumka's words]</p> <p>TEXT: Over 130 waivers, all exempted from Obamacare</p> <p>TEXT: "Call the White House at 202-456-1111. Tell Obama to come clean."</p> <p>TEXT: "If unions don't have to comply with ObamaCare..."</p> <p>TEXT: "Why should we?"</p> <p>TEXT: "Crossroads GPS.org"</p> <p>Paid for by Crossroads Grassroots Policy Strategies.</p>	<p>TRUMKA: "I am at the White House a couple times a week...I have conversations everyday"</p> <p>ANDREA TANTAROS: "<i>We</i> are forced to pay higher costs, <i>They</i> get a special sweetheart deal" http://bit.ly/gHQAqe (1:37)</p> <p>OBAMA: "They walked doors for me. They made phone calls for me. They turned out the vote for me."</p>
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LEARN KEY ISSUES JOIN CONTRIBUTE NEWS



CrossroadsGPS



Crossroads GPS Launches \$20 Million National Television Initiative to Frame Debate on Jobs, Economy, Deficits

First phase of massive advertising blitz to define President Obama's economic and spending record includes \$5 million national TV ad, "Shovel Ready," with national cable TV and network buys in key states.

WASHINGTON – Today, Crossroads Grassroots Policy Strategies (Crossroads GPS) announced a new \$20 million issue advocacy initiative over the next two months to frame the national debate on jobs, the economy and the national debt in anticipation of congressional action on these issues.

In the first phase of the initiative, on Monday Crossroads GPS will launch a new national TV ad, "Shovel Ready," which details the Obama Administration's failure to improve the economy with its \$830 billion stimulus legislation and other policies.

The spot's \$5 million television buy covers national cable news channels as well as local network affiliates in key states, including Colorado, Florida, Iowa, Missouri, Montana, Nebraska, North Carolina, New Mexico, Nevada, and Virginia.

The new ad will start Monday and run for two weeks and can be viewed [here](#), with a script [here](#).

"President Obama may have inherited a recession, but his policies have made things worse for everyday Americans by running up the debt and causing economic uncertainty," said Steven Law, president of Crossroads GPS. "Now Obama seems checked out of efforts to reduce America's dangerous debt load, while his party is pushing massive tax increases and even more spending."

Since President Obama took office in January 2009, the national debt has increased by 35%, gas prices have more than doubled, and unemployment is up more than 20%, with more than 2.5 million jobs lost since the passage of his stimulus bill. Obama and his advisors claimed unemployment would drop to 6.7% at this point with passage of the stimulus; instead unemployment actually increased to 9.1%.

With politicians in both parties debating how to close the deficit and create jobs, the new Crossroads GPS initiative, including the spot launched today, seeks to move the center of debate toward cutting spending and the national debt without raising taxes, and pursuing pro-growth policies that will promote job creation.

Crossroads GPS is a policy and grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens to take action on the critical economic and legislative issues that will shape our nation's future in the years ahead.

For more information, contact Jonathan Collegio at jacollegio@crossroadsgps.org or (202) 559-

CROSSROADS GPS :30 TV – "SHOVEL READY"

VIDEO	AUDIO
<p>Obama clip</p> <p>DATE: June 2010</p>	<p>(Music Up & Under)</p> <p>OBAMA CLIP: "...our economy...is now growing at a good clip"</p>
<p>Excerpt from "Meet the Press" in TV Screen Graphic</p> <p>TEXT: ACCORDING TO NBC's MEET THE PRESS...</p> <p>SUPER: The Facts About President Obama's Economic Record</p> <p>Unemployment, Debt and Price of Gas Graphics Counting Upward</p> <p>SOURCE: NBC's "Meet The Press"-- 6/12/11</p>	<p>ANNOUNCER: But NBC's Meet the Press says THESE are the <u>facts</u> about the Obama record...</p> <p>Unemployment <u>up</u> 25%.</p> <p>The national debt <u>up</u> 35%.</p> <p>The price of gas <u>up</u> 104%.</p>
<p>Obama and Stimulus Images</p> <p>SUPER: \$830 Billion Stimulus <u>Failed</u></p> <p>CITE: Congressional Budget Office, May 2011</p>	<p>Obama's \$830 billion stimulus <i>failed.</i></p>
<p>Obama clip</p> <p>DATE: June 2011</p>	<p>OBAMA CLIP: "Shovel-ready was not as shovel-ready as we expected."</p>
<p>Workers and Unemployment B-</p>	<p>ANNOUNCER:</p>

6-10-11 10:41:10 AM

<p>Roll</p> <p><u>SUPER:</u> 14 Million Out of Work</p> <p>Money and Debt Clock B-Roll</p> <p><u>SUPER:</u> America Drowning in Debt</p>	<p>14 million out of work.</p> <p>America drowning in debt.</p>
<p>Obama B-Roll</p> <p><u>SUPER:</u> Tell Congress: No More Blank Checks</p> <p>Call 1-888-583-0969</p> <p><u>DISCLAIMER:</u> PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES</p>	<p>It's time to take away Obama's blank check.</p>

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CROSSROADS GPS TV:30 – “HARD TO SLEEP”

VIDEO	AUDIO
<p>Close-up of clock radio at bedside – nighttime – clock reads “3:01 AM”</p> <p>Woman’s eyes open, head on pillow</p> <p><u>DISCLAIMER:</u> PAID FOR BY CROSSROADS GPS</p>	<p>(music up & under) (storm sound effects)</p> <p><u>WOMAN VOICEOVER:</u> Sometimes, it’s hard to sleep.</p> <p>Worried, I guess... my job... Our home....</p>
	<p>...my kids’ future.</p>
	<p>I supported President Obama because he spoke so beautifully.</p>
	<p>But things have gone from bad... to <i>much</i> worse.</p>
<p><u>HEADLINE:</u> Obama: stimulus plan could create, save up to 4 million jobs</p> <p><u>SOURCE:</u> CNN Politics, 1/10/09</p> <p>Unemployment Graph</p> <p><u>SOURCE:</u> Bureau of Labor Statistics</p>	<p>He said his stimulus would create jobs.</p> <p>But now we have huge debt and even <u>more</u> people out of work.</p>
	<p>And Obama’s solution is to spend even <u>more</u> and raise taxes?</p>
	<p>Really?</p>

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<p>GRAPHICS</p> <p>HEADLINE: U.S. Debt Passes \$14 Trillion</p> <p>SOURCE: CBS News, 1/15/11</p> <p>HEADLINE: Obama: Congress Must And Will Raise Debt Limit</p> <p>SOURCE: Associated Press, 4/16/11</p>	<p>Our country's got this huge debt, and Obama says raise taxes and keep spending <u>more</u>?</p>
	<p>Doesn't Washington know we can't afford more taxes and debt?</p>
	<p>If they don't figure it out, it's going to be even tougher for our kids.</p>
<p>TEXT: Take Action – Visit NoMoreBlankChecks.com</p>	<p>There's gotta be a way to take away President Obama's blank check.</p>

1004742001

CROSSROADS GPS TV:60 – “DESPERTARSE”

VIDEO	AUDIO
<p>Close-up of clock radio at bedside – nighttime – clock reads “3:01 AM”</p> <p>Woman’s eyes open, head on pillow</p> <p>DISCLAIMER: PAGADO POR CROSSROADS GPS</p>	<p>(music up & under) (storm sound effects)</p> <p>WOMAN VOICEOVER: Sometimes, it’s hard to sleep. Hay noches que no logro dormir.</p> <p>Worried, I guess. Debo estar preocupada . . .</p> <p>About our jobs. Our home. How everything costs <i>more</i>... acerca de nuestros trabajos, nuestro hogar. De lo caro que esta todo.</p>
	<p>I worry a lot about my kids.</p> <p>Últimamente veo a mis hijos y me preocupo...</p> <p>What’s <i>their</i> future going to be like? Me angustio al pensar cómo será su futuro.</p>
	<p>I supported President Obama because he spoke so beautifully. Yo apoye al Presidente Obama porque se expresaba tan bien.</p>

160444001

CROSSROADS GPS TV:30 – “CHANGE FL”

VIDEO	AUDIO
	<p>(music up & under)</p> <p>MAN: We're paying <i>double</i> for gas...</p>
	<p>WOMAN: More for groceries...</p>
	<p>MAN: Our homes are worth <i>less</i>....</p> <p>MAN: More people are out of work...</p>
	<p>WOMAN: ...and we can't save for retirement.</p>
	<p>MAN: But instead fixing our economy...</p>
<p>TEXT: SENATOR Bill Nelson Billions in New Taxes Trillions in Debt</p>	<p>WOMAN: Politicians like Bill Nelson...</p> <p>WOMAN: Voted for billions in new taxes...</p> <p>WOMAN: ...and racked up <i>trillions</i> in crushing debt.</p>
<p>TEXT: President Obama's Reckless Spending & Taxes Costing America Jobs & Prosperity</p>	<p>MAN: Now President Obama wants to continue the reckless spending...</p> <p>WOMAN: ... and raise taxes even higher.</p> <p>WOMAN: And that costs us more <i>jobs</i>.</p>
<p>TEXT: Tell Senator Bill Nelson No More Blank Checks</p> <p>WEB SITE: NoMoreBlankChecks.com</p> <p>DISCLAIMER: PAID FOR BY CROSSROADS GPS</p>	<p>MAN: Tell Senator Bill Nelson</p> <p>MAN: No more blank checks.</p>

1030441610010

CROSSROADS GPS TV:30 – "CHANGE MT"

VIDEO	AUDIO
	<p>(music up & under)</p> <p>WOMAN: We're paying <i>double</i> for gas...</p>
	<p>MAN: More people are out of work...</p>
	<p>WOMAN: ...groceries cost more...</p> <p>MAN: Our homes are worth <i>less</i>.</p>
	<p>WOMAN: ...and it's a lot harder to save for retirement.</p>
	<p>MAN: But instead fixing our economy...</p>
<p>TEXT: SENATOR Jon Tester Billions in New Taxes</p> <p>Trillions in Debt</p>	<p>WOMAN: Politicians like Jon Tester voted for billions in new taxes...</p> <p>MAN: ...and racked up <i>trillions</i> in crushing debt.</p>
<p>TEXT: President Obama's Reckless Spending & Taxes Costing America Jobs & Prosperity</p>	<p>WOMAN: Now President Obama wants to continue the reckless spending...</p> <p>WOMAN: ... and he wants to raise taxes even higher.</p> <p>MAN: And that costs us <i>jobs</i>.</p>
<p>TEXT: Tell Senator Jon Tester No More Blank Checks</p> <p>WEB SITE: NoMoreBlankChecks.com</p> <p>DISCLAIMER: PAID FOR BY CROSSROADS GPS</p>	<p>WOMAN: Tell Senator Jon Tester: No more blank checks</p>

1604744061

CROSSROADS GPS TV:30 – "CHANGE MO"

VIDEO	AUDIO
	<p>(music up & under)</p> <p>MAN: We're paying <i>double</i> for gas...</p>
	<p>WOMAN: More for groceries...</p>
	<p>MAN: Our homes are worth <i>less</i>....</p> <p>WOMAN: More people are out of work...</p>
	<p>WOMAN: ...and it's a lot harder to save for retirement.</p>
	<p>MAN: But instead fixing our economy...</p>
<p>TEXT: SENATOR Claire McCaskill Billions in New Taxes</p> <p>Trillions in Debt</p>	<p>WOMAN: Politicians like Claire McCaskill voted for billions in new taxes...</p> <p>MAN: ...and racked up <i>trillions</i> in crushing debt.</p>
<p>TEXT: President Obama's Reckless Spending & Taxes Costing America Jobs & Prosperity</p>	<p>WOMAN: Now President Obama wants to continue the reckless spending...</p> <p>MAN: ... and he wants to raise taxes even higher.</p> <p>MAN: And that costs us more <i>jobs</i>.</p>
<p>TEXT: Tell Senator Claire McCaskill No More Blank Checks</p> <p>WEB SITE: NoMoreBlankChecks.com</p> <p>DISCLAIMER: PAID FOR BY CROSSROADS GPS</p>	<p>MAN: Senator McCaskill</p> <p>WOMAN: No more blank checks</p>

160474162001

CROSSROADS GPS TV:30 – "CHANGE NE"

VIDEO	AUDIO
	<p>(music up & under)</p> <p>WOMAN: We're paying <i>double</i> for gas...</p>
	<p>MAN: More people are out of work...</p> <p>WOMAN: Groceries cost more...</p>
	<p>MAN: Our homes are worth <i>less</i>....</p>
	<p>WOMAN: ...and it's a lot harder to save for retirement.</p>
	<p>WOMAN: But instead fixing our economy...</p>
<p>TEXT: SENATOR Ben Nelson Billions in New Taxes</p> <p>Trillions in Debt</p>	<p>MAN: Politicians like Ben Nelson voted for billions in new taxes and racked up <i>trillions</i> in crushing debt.</p>
<p>TEXT: President Obama's Reckless Spending & Taxes Costing America Jobs & Prosperity</p>	<p>WOMAN: Now President Obama wants to continue the reckless spending...</p> <p>MAN: ... and he wants to raise taxes even higher.</p> <p>MAN: And that costs more <i>jobs</i>.</p>
<p>TEXT: Tell Senator Ben Nelson We've Got to Take Away President Obama's Blank Check</p> <p>WEB SITE: NoMoreBlankChecks.com</p> <p>DISCLAIMER: PAID FOR BY CROSSROADS GPS</p>	<p>MAN: Tell Senator Ben Nelson: We've got to take away President Obama's blank check.</p>

1604741001

CROSSROADS GPS TV:30 – "CHANGE OH"

VIDEO	AUDIO
	(music up & under) MAN: We're paying <i>double</i> for gas...
	WOMAN: More for groceries...
	MAN: Our homes are worth <i>less</i> MAN: More people are out of work...
	WOMAN: ...and we can't save for retirement.
	MAN: But instead fixing our economy...
TEXT: SENATOR Sherrod Brown Billions in New Taxes Trillions in Debt	WOMAN: Politicians like Sherrod Brown voted for billions in new taxes and racked up <i>trillions</i> in crushing debt.
TEXT: President Obama's Reckless Spending & Taxes Costing America Jobs & Prosperity	MAN: Now President Obama wants to continue the reckless spending... WOMAN: ... and he wants to raise taxes even higher. WOMAN: And that costs us more <i>jobs</i> .
TEXT: Tell Senator Sherrod Brown We've Got to Take Away President Obama's Blank Check WEB SITE: NoMoreBlankChecks.com DISCLAIMER: PAID FOR BY CROSSROADS GPS	MAN: Tell Senator Sherrod Brown WOMAN: We've got to take away President Obama's blank check.

11004741000000

LEARN KEY ISSUES JOIN CONTRIBUTE NEWS



CrossroadsGPS



Crossroads GPS launches new TV ads targeting five U.S. Senators on government spending and debt

New ads on in five key states focus on targeted U.S. senators in lead-up to debt-cutting votes.

WASHINGTON – Today, Crossroads Grassroots Policy Strategies (Crossroads-GPS) launched a new round of television advertising that targets five U.S. senators in key states on the issue of excessive government spending and debt. New TV spots begin running today through August 6 on network television stations in Florida, Missouri, Montana, Nebraska and Ohio, and will be complemented by targeted online advertising in those states.

The spots focus on U.S. Senators Bill Nelson of Florida, Claire McCaskill of Missouri, Jon Tester of Montana, Ben Nelson of Nebraska and Sherrrod Brown of Ohio. All feature local constituents of the senators, urging solutions to the debt limit debate that will cut spending and not raise taxes or create new taxes. The ads promote the website www.nomoreblankchecks.com, which provides viewers with online tools to write their senators and representative on the issue.

The total amount dedicated to this effort, including television and internet advertising and production, is \$1.6 million through August 6.

"President Obama has made it clear that he wants to raise taxes in these debt negotiations, which will cost jobs and send the economy further into a tailspin" said Crossroads GPS president and CEO Steven Law. "Between his health care bill and the failed stimulus, Obama and his allies in the Senate have blown a massive hole in the deficit, and it's time to take away their blank check."

The Florida ad can be viewed [here](#), the Missouri ad [here](#), the Montana ad [here](#), the Nebraska ad [here](#) and the Ohio ad [here](#).

The new spots are part of a summer-long, [\\$20 million effort](#) by Crossroads GPS to urge decisive action by Congress to cut spending and the national debt and start rebuilding the nation's economy.

Crossroads GPS is a policy and grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens to take action on the critical economic and legislative issues that will shape our nation's future in the years ahead.

For more information, contact Jonathan Collegio at jacollegio@crossroadsgps.org or (202) 559-6424.

1004744001

Crossroads GPS is a policy and grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens to take action on the critical economic and legislative issues that will shape our nation's future in the years ahead.

For more information, contact Jonathan Collegio at jacollegio@crossroadsgps.org or (202) 559-6424.

10/10/2014 11:41:00 AM

10/10/2014 11:41:00 AM

<p>Super: U.S. debt up \$8.6 Trillion since 2001 Source: U.S. Treasury Department</p> <p>Super: Call Mike Ross at 888-583-0969... tell him no more blank checks.</p> <p>PAID FOR BY CROSSROADS GPS</p>	<p>Ann: Tired of the Washington double talk on spending?</p> <p>Tell Congressman Ross... no more reckless spending... no new taxes ... and no more blank checks.</p>
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1103061448001

<p>Super: Washington Double Talk</p> <p>Super: Call Jerry Costello at 888-583-0969... tell him no more reckless spending... new taxes... blank checks.</p> <p>PAID FOR BY CROSSROADS GPS</p>	<p>Tired of the Washington double talk on spending?</p> <p>Tell Congressman Costello... no more reckless spending... No new taxes... and no more blank checks.</p>
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1604410000

<p>0969... tell him no more blank checks.</p> <p>PAID FOR BY CROSSROADS GPS</p>	<p>Tell Congressman Shuler... no more reckless spending... no new taxes... and no more blank checks.</p>
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14004714001

VIDEO	AUDIO
<p>Video: Owens clip plays in TV pyramid (1:45) http://www.youtube.com/watch?v=sDUo8mp32qs Super: Congressman Bill Owens</p> <p>Super: What does Bill Owens DO in Washington?</p> <p>Super: Owens voted for...</p> <p>Super: Healthcare takeover: \$1 Billion Source: HR 3590, House Vote #165, 3/21/10</p> <p>Super: \$525 billion in job killing taxes Source: CBO, April 12th, 2010</p> <p>Super: Congressman Owens voted to raise the debt limit \$1.9 Trillion Source: H. J. Res. 45, CQ Vote #48, 2/4/10</p> <p>Video: Owens clip replays</p> <p>Super: Bill Owens... Super: U.S. debt up \$2.4 Trillion since 2009 Source: U.S. Treasury Department</p> <p>Super: Call Bill Owens at 888-583-0969... tell him no more blank checks.</p>	<p>BO: "and at the same time come up with a plan that's going to cut the, uh, deficit and the debt."</p> <p>Ann: So he says...</p> <p>But does Congressman Bill Owens <u>DO</u> in Washington?</p> <p>He votes for Obamacare...</p> <p>Massive spending and taxes...</p> <p>And crushing new debt.</p> <p>BO: "...cut the deficit and the debt"</p> <p>Ann: Tired of the Washington double talk on spending?</p> <p>Tell Congressman Owens... no more reckless spending... no new taxes... and no more blank checks.</p>

110344103103

PAID FOR BY CROSSROADS.GPS	

1002446000

0969... tell her no more reckless spending... new taxes... blank checks.	more reckless spending; no new taxes and no more blank checks.
PAID FOR BY CROSSROADS GPS	

100444001

	taxes and no more blank checks.

1004742094

VIDEO	AUDIO
<p>Video: Chandler clip plays Super: Congressman Ben Chandler</p> <p>Super: Oh, really</p> <p>Super: U.S. debt up \$8.6 Trillion since 2004 Source: U.S. Treasury Department</p> <p>Super: Chandler voted for...</p> <p>Super: Stimulus bill: \$830 billion Source: HR1, House Vote #70, 2/13/09</p> <p>Super: Healthcare takeover: \$1 trillion Source: H.R. 2, CQ Vote #14, 1/19/11</p> <p>Super: Reckless spending</p> <p>Super: Congressman Chandler voted to raise the debt limit 5 times Source: S. Con. Res. 70, CQ Vote #382, 6/5/08 Source: H.R. 3221, CQ Vote #519, 7/23/08 Source: H.R. 1, CQ Vote #70, 2/13/09 Source: H.R. 4314, CQ Vote #988, 12/16/09 Source: H. J. Res. 45, CQ Vote #48, 2/4/10</p> <p>Video: Chandler clip replays in the background</p> <p>Super: Call Ben Chandler at 888-583-0969... tell him no more reckless spending... new taxes... blank checks.</p> <p>PAID FOR BY CROSSROADS GPS</p>	<p>BC: "Uh, we certainly need to get our fiscal house in order in this country."</p> <p>Annc: Oh really, Congressman?</p> <p>You voted for skyrocketing debt</p> <p>The failed stimulus...</p> <p>To keep Obamacare.</p> <p>Reckless spending....</p> <p>And how'd you pay for it? Keeping billions in taxes and adding trillions in crushing debt.</p> <p>BC: "...our fiscal house in order."</p> <p>Sorry, Congressman Chandler... no more reckless spending, no new taxes and no more blank checks.</p>

1004410001

VIDEO	AUDIO
<p>Video: Bishop clip plays Super: Congressman Tim Bishop</p>	<p>TB: "We all recognize that we need to cut spending. We all recog... We all recognize we need to cut spending."</p>
<p>Super: Oh, really</p>	<p>Annc: Oh really, Congressman?</p>
<p>Super: U.S. debt up \$7.9 Trillion since 2003 Source: U.S. Treasury Department</p>	<p>You voted for skyrocketing debt</p>
<p>Super: Bishop voted for...</p>	
<p>Super: Stimulus bill: \$830 billion Source: HR1, House Vote #70, 2/13/09</p>	<p>The failed stimulus...</p>
<p>Super: Healthcare takeover: \$1 trillion Source:HR 3590, House Vote #165, 3/21/10; HR 3962, CQ Vote #887, 11/7/09</p>	<p>And Obamacare.</p>
<p>Super: Reckless spending</p>	<p>You voted for reckless spending....</p>
<p>Super: Bishop voted to raise the debt limit 6 times Source: S. Con. Res. 70, CQ Vote #382, 6/5/08 Source: H.R. 3221, CQ Vote #519, 7/23/08 Source: H.R. 1424, CQ Vote #681, 10/3/08 Source: H.R. 1, CQ Vote #70, 2/13/09 Source: H.R. 4314, CQ Vote #988, 12/16/09 Source: H. J. Res. 45, CQ Vote #48, 2/4/10</p>	<p>And how'd you pay for it? Billions in new taxes and trillions in crushing debt.</p>
<p>Video: Bishop clip replays in the background</p>	
<p>Super: Call Tim Bishop at 888-583-0969... tell him no more reckless</p>	<p>LB: "we all recognize that we need to cut spending..."</p>

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<p>spending... new taxes... blank checks.</p> <p>PAID FOR BY CROSSROADS GPS</p>	<p>Sorry, Congressman Bishop... no more reckless spending, no new taxes and no more blank checks.</p>
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HOBBITSON

VIDEO	AUDIO
<p>Video: Schrader clip plays</p> <p>Super: Congressman Kurt Schrader</p> <p>Super: Oh, really</p> <p>Super: U.S. debt up \$3.7 Trillion since 2009 Source: U.S. Treasury Department</p> <p>Super: Schrader voted for...</p> <p>Super: Stimulus bill: \$830 billion Source: HR1, House Vote #70, 2/13/09</p> <p>Super: Healthcare takeover: \$1 trillion Source:HR 3590, House Vote #165, 3/21/10; HR 3962, CQ Vote #887, 11/7/09</p> <p>Super: Reckless spending</p> <p>Super: Congressman Schrader voted to raise the debt limit 3 times Source: H.R. 1, CQ Vote #70, 2/13/09 Source: H.R. 4314, CQ Vote #988, 12/16/09 Source: H. J. Res. 45, CQ Vote #48, 2/4/10</p> <p>Video: Schrader clip replays in the background</p> <p>Super: Call Kurt Schrader at 888-583-0969... tell him no more reckless spending... new taxes... blank checks.</p> <p>PAID FOR BY CROSSROADS GPS</p>	<p>KS: put some real good fiscal, uh, constraints on what we do and make sure we get our budget balanced..."</p> <p>Annc: Oh really, Congressman?</p> <p>You voted for skyrocketing debt</p> <p>The failed stimulus...</p> <p>And Obamacare.</p> <p>You voted for reckless spending....</p> <p>And how'd you pay for it? Billions in new taxes and trillions in crushing debt.</p> <p>KS: "good fiscal constraints"</p> <p>Sorry, Congressman Schrader... no more reckless spending, no new taxes and no more blank checks.</p>

1003441001

VIDEO	AUDIO
<p>Video: Matheson clip plays Super: Congressman Jim Matheson</p> <p>Super: Oh, really</p> <p>Super: U.S. debt up \$8.6 Trillion since 2001 Source: U.S. Treasury Department</p> <p>Super: Matheson voted for...</p> <p>Super: Stimulus bill: \$830 billion Source: HR1, House Vote #70, 2/13/09</p> <p>Super: Healthcare takeover: \$1 trillion Source: H.R. 2, CQ Vote #14, 1/19/11</p> <p>Super: Reckless spending</p> <p>Super: Matheson voted to raise the debt limit 4 times Source: H.R. 3221, CQ Vote #519, 7/23/08 Source: H.R. 1, CQ Vote #70, 2/13/09 Source: H.R. 4314, CQ Vote #988, 12/16/09 Source: H. J. Res. 45, CQ Vote #48, 2/4/10</p> <p>Video: Matheson clip replays in the background</p> <p>Super: Call Jim Matheson at 888-583-0969... tell him no more reckless spending... new taxes... blank checks.</p> <p>PAID FOR BY CROSSROADS GPS</p>	<p>JM: "There's no question, the deficit issue is something we have to tackle. And we're going to have to look at everything being on the table."</p> <p>Ann: Oh really, Congressman?</p> <p>You voted for skyrocketing debt</p> <p>The failed stimulus...</p> <p>To keep Obamacare.</p> <p>Reckless spending....</p> <p>And how'd you pay for it? Keeping billions in taxes and adding trillions in crushing debt.</p> <p>JM: "the deficit issue is something we have..."</p> <p>Sorry, Congressman Matheson... no more reckless spending, no new taxes and no more blank checks.</p>

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LEARN KEY ISSUES JOIN CONTRIBUTE NEWS



CrossroadsGPS



Crossroads GPS Announces Support of Speaker Boehner's Debt Reduction Plan

Conservative group calls the policy a shrewd strategy to cut government spending under a President who insists on tax hikes.

WASHINGTON – Crossroads Grassroots Policy Strategies (Crossroads GPS), the influential conservative nonprofit organization, today announced its support for House Speaker John Boehner's debt reduction plan.

This support comes after the group has spent millions of dollars on a televised issue advocacy campaign framing the national debate on jobs, economy and debt. The group announced it supports the Speaker's approach and supports members of Congress who are lining up behind the plan.

"Kudos to Speaker Boehner for showing President Obama what leadership is really about," said Steven Law, president and CEO of Crossroads. "President Obama may be willing to risk a fiscal Armageddon to get tax hikes, but Republicans need to be the voice of reason and responsibility."

Crossroads GPS says that further spending cuts are necessary, but they are unlikely as long as the President insists on tax increases as his price for accepting a larger budget deal.

"It's our job to change who's running the White House and Senate to achieve the spending reforms that will get our country back on track," continued Law. "While President Obama refuses to produce a plan or even a draft of one, the U.S. House is ready to pass one with real reforms."

Crossroads GPS is a policy and grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens to take action on the critical economic and legislative issues that will shape our nation's future in the years ahead.

For more information, contact Jonathan Collegio at jcollegio@crossroadsgps.org or (202) 559-6424.

1004440001

Ms. Denise Kolleylon
February 17, 2011
Page 2

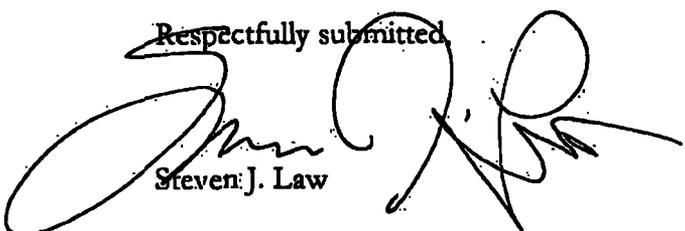
2. Any and all memoranda, guidance, directives, instructions and other documents – whether electronic or written and whether distributed internally or externally – relating to any and all cost-benefit analyses created by or for the Federal Railroad Administration related to the construction of a national high-speed and intercity passenger rail network.

As required by FOIA, please provide redacted copies of documents if such documents contain some information which is subject to a FOIA exemption. If any documents are fully withheld based on a FOIA exemption, please explain the basis of such full withholding.

We will assume financial responsibility for all reasonable and necessary charges incurred, including costs of the search and duplication of files. Please contact me in advance at (202) 559-6428 if the cost will exceed \$300.

Your prompt attention to this matter is appreciated. Please contact me as soon as possible at (202) 559-6428 if you are unable to fully process and respond to this request within the twenty (20) day response period provided for by the FOIA, or if you have any questions related to this request. Although we believe our response is narrowly targeted, so that a full response can be provided in the 20-day response period, if some but not all of the requested documents can be provided in the 20-day response period, please provide a partial response with those documents that are available. Thank you in advance for your assistance.

Respectfully submitted,


Steven J. Law



CrossroadsGPS



Wikicountability News: FOIA Reveals Obama Administration Failed to Prepare Cost-Benefit Analyses for \$53 Billion in High-Speed Rail Projects

FOIA response from Federal Railroad Administration reveals agency has no records of cost benefit analyses for high speed rail initiatives, despite pressures on federal budget.

WASHINGTON – Despite major pressure on the federal budget, the Federal Railroad Administration (FRA) has prepared no cost-benefit analyses on any of its multibillion dollar high-speed rail initiatives, according to information obtained through the Freedom of Information Act (FOIA) by Crossroads Grassroots Policy Strategies (Crossroads GPS), and posted on the website Wikicountability.org.

While President Obama repeatedly touted high speed rail as a key initiative to “win the future”, the Federal Railroad Administration’s FOIA response reveals that the Obama Administration has not conducted cost benefit analyses of its high speed rail projects, unless analyses occurred outside of the agency overseeing the projects.

According to the FRA’s response to Crossroads GPS:

“...The agency’s files do not contain any records related to cost benefit analyses created by or on behalf of the Federal Railroad Administration related to the construction of a national high-speed and intercity passenger rail network, including but not limited to the \$53 billion proposed spending for high-speed rail development, the Corcoran-Borden high-speed rail project, the Orlando-Tampa high speed rail project, the Los Angeles-San Francisco high-speed rail project, or the Northeast corridor high-speed rail project, and including any abstracts or summaries of such analysis.”

Crossroads GPS filed its initial FOIA request on February 17, 2011, asking for “any and all cost benefit analyses created by or for the Federal Railroad Administration related to the construction of national high-speed and intercity passenger rail network, including but not limited to the \$53 billion proposed spending for high speed rail development, the Corcoran-Borden high-speed rail project, the Orlando-Tampa high speed rail project, the Los Angeles-San Francisco high-speed rail project, or the Northeast corridor high-speed rail project, and including any abstracts or summaries of such analyses.”

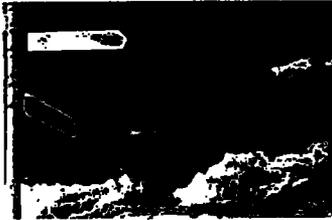
The request also noted that, according to U.S. Department of Transportation chief economist Jack Wells, applicants for high-speed rail projects were requested to provide cost-benefit analyses, and that FRA project manager Laurie Sayles had written that such analyses exist, though they were not as yet publicly available.

“The Obama Administration’s lack of accountability on major infrastructure projects should raise red flags up and down the federal government,” said Crossroads GPS president Steven Law.

“Preparing multibillion dollar initiatives without analyzing the benefits and costs is not only



CrossroadsGPS



Crossroads GPS Launches New Online Platform Wikicountability.org to Crowd-Source Obama Administration Data

New wiki site allows individuals, organizations and journalists to upload information obtained from FOIA requests, and search all documents uploaded to site.

WASHINGTON – Crossroads Grassroots Policy Strategies (Crossroads GPS) today launched a major new initiative and online platform, Wikicountability.org, which is designed to crowd-source information gleaned from Freedom of Information Act (FOIA) requests and other public documents by organizations, individuals and journalists. The wiki site will facilitate efficient sharing of public information about the Obama Administration, as well as spotlight violations of FOIA by the Obama Administration.

The new initiative is designed to make federal departments and agencies more accountable to the public. Groups and individuals will be able to upload their own FOIA requests and responses to the website, creating a national clearinghouse for data concerning the Obama Administration. Thousands of pages of information from the Departments of Labor and HHS have already been uploaded to the site, and Crossroads is encouraging other groups and individuals to upload their own FOIA information to the site as well.

“President Obama’s record on FOIA doesn’t come anywhere near his lofty rhetoric,” said Steven Law president of Crossroads GPS. “This new wiki site uses the power of online communities and individuals to hold President Obama and his appointees accountable for complying with federal open records laws.”

The site is also designed to spotlight the Obama Administration’s dismal record of compliance with FOIA – with a special section devoted to unfulfilled FOIA requests.

Some news breaking from the launch of Wikicountability.org, and documents already on the site:

- The Andy Griffith ad promoting Obamacare last year cost taxpayers \$3.66 million – including \$404,000 in production costs – according to records obtained from HHS in an FOIA request earlier this year.
- Labor Secretary Hilda Solis met with union bosses or attended their events on more than 40 separate occasions from February 2009-January 2010.
- Consumer Financial Protection Bureau head Elizabeth Warren made time for meals and meetings with far-left anti-business journalists such as American Prospect’s Bob Kuttner, Mother Jones’ David Corn, and Daily Kos.com’s Markos Moulitsas.
- Among literally dozens of unfulfilled FOIA requests by the Obama Administration: the Department

FOIA REQUEST

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SIMON J. TORRES

MORGAN, LEWIS & BOCKIUS LLP
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004,

Plaintiff,

v.

**U.S. DEPARTMENT OF HEALTH AND HUMAN
SERVICES**

200 Independence Avenue, S.W.
Washington, D.C. 20201,

Defendant.

**COMPLAINT FOR
DECLARATORY AND
INJUNCTIVE RELIEF**

Case: 1:11-cv-00601
Assigned To : Roberts, Richard W.
Assign. Date : 3/23/2011
Description: FOIA/Privacy Act

Plaintiff Simon J. Torres brings this action against Defendant U.S. Department of Health and Human Services ("HHS") to compel compliance with the Freedom of Information Act, 5 U.S.C. § 552 ("FOIA"). As grounds therefore, Plaintiff alleges as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this action pursuant to 5 U.S.C. § 552(a)(4)(B) and 28 U.S.C. § 1331.
2. Venue is proper in this district pursuant to 28 U.S.C. § 1391(e).

PARTIES

3. Plaintiff is an individual attorney with the law firm of Morgan, Lewis & Bockius, LLP, located at 1111 Pennsylvania Avenue, N.W., Washington, D.C. 20004. In the course of his representation of clients in various labor and employment matters, from time to time Plaintiff serves FOIA requests on federal, state and local government agencies, entities and offices.

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4. Defendant HHS is an agency of the United States Government and is headquartered at 200 Independence Avenue, S.W., Washington, D.C. 20201. Defendant has possession, custody and control of records to which Plaintiff seeks access.

STATEMENT OF FACTS

5. On January 7, 2011, Plaintiff sent a FOIA request to the FOIA Office of HHS (attached hereto as Exhibit 1), seeking access to: "any and all memoranda, guidance, directives, instructions and other documents – whether electronic or written and whether distributed internally or externally – relating to the criteria to be applied by HHS in deciding whether to grant or deny applications for waiver of the annual limit requirements of the Public Health Services Act (the "PHS Act") Section 2711"; and "any and all memoranda, notes, letters and other documents – whether electronic or written and whether distributed internally or externally – relating to the approval, denial or consideration of applications for waiver of the annual limit requirements of PHS Act Section 2711 by an applicant with 1,000 or more enrollees, including but not limited to any letters submitted to HHS in support of or against waiver, such as any letters submitted by members of the United States Congress, state officials or local officials."

6. The request was sent by facsimile and was successfully transmitted.

7. Pursuant to 5 U.S.C. § 552(a)(6)(A)(i), HHS was required to respond to Plaintiff's request within twenty (20) working days, or on or before February 7, 2011.

8. By letter dated January 12, 2011 (attached hereto as Exhibit 2), HHS acknowledged its receipt of the request on January 11, 2011 and assigned the request a case number. While HHS stated that the request would be processed "as expeditiously as possible", it did not give a specific time by which it would respond or otherwise indicate any actual issues with Plaintiff's request.

9. On February 2, 2011, Plaintiff spoke with HHS FOIA Officer Bob Eckert by telephone to inquire about the status of the request. Mr. Eckert said that he would look into Plaintiff's request and call Plaintiff back. On February 4, 2011, Plaintiff spoke by telephone with HHS's Garfield Daley, who explained that the request was being internally reassigned to another HHS component due to the transfer of HHS's Office of Consumer Information and Insurance Oversight to the Centers for Medicare & Medicaid Services (CMS), a component of HHS. Mr. Garfield indicated that Plaintiff would receive written notification of the transfer and that CMS would directly respond to Plaintiff's request. By February 9, 2011 letter (attached hereto as Exhibit 3), Mr. Eckert notified Plaintiff of the transfer of the request to CMS and of CMS's contact information, but did not provide any further information as to the request's status.

10. On February 28, 2011, Plaintiff called CMS at the telephone number listed on Mr. Eckert's February 9 letter to inquire about the status of his request. Plaintiff's call was transferred to a voicemail box that was full and would not permit Plaintiff to leave a message asking for further information and for someone to contact him about his request.

11. On March 1, 2011, Plaintiff again called CMS at the telephone number listed on Mr. Eckert's February 9 letter to inquire about the status of his request. Plaintiff's call was again transferred to a voicemail box that was full and would not permit Plaintiff to leave a message asking for further information and for someone to contact him about his request.

12. On two separate occasions on March 8, 2011, Plaintiff again called CMS at the telephone number listed on Mr. Eckert's February 9 letter to inquire about the status of his request. Each time, Plaintiff's call was again transferred to a voicemail box that was full and would not permit Plaintiff to leave a message asking for further information and for someone to contact him about his request.

13. On March 11, 2011, Plaintiff faxed a letter to CMS's FOIA office (attached hereto as Exhibit 4) in which he requested an immediate response to his FOIA request. In the letter, Plaintiff noted that more than two months had passed since his January 7, 2011 request and chronicled his unsuccessful attempts to reach CMS about the request.

14. In his March 11, 2011 letter, Plaintiff reiterated HHS's FOIA obligations and why his need for the requested information was crucial and time-sensitive: "As I explained in my January 7, 2011 request letter, the need for the requested information is immediate, especially now that the number of waivers approved by HHS has exceeded 1,000 (including more than 826 approved waivers in the past three months). Indeed, according to HHS's website, HHS appears to have posted 126 new approved waivers last Friday alone. And, just this week Secretary Kathleen Sebelius touted waivers as a commitment by the present Administration to promote flexibility with respect to the new healthcare laws. See Press Release, U.S. Department of Health and Human Services, Obama Administration Takes New Steps to Support Innovation, Empower States (Mar. 10, 2011). Secretary Sebelius's announcement was in conjunction with a proposed rule regarding a procedural framework for submission and review of initial applications for a Waiver for State Innovation. Interested parties will have 60 days from this upcoming Monday to comment. The information on PHS Section 2711 Act waivers may prove invaluable in helping interested parties to formulate comments on the proposed rule concerning State Innovation Waivers."

15. To date, no one from CMS has responded to Plaintiff's March 11, 2011 letter.

16. On March 15, 2011, Plaintiff again called CMS at the telephone number listed on Mr. Eckert's February 9 letter to inquire about the status of his request. Plaintiff's call was again transferred to a voicemail box that was full and would not permit Plaintiff to leave a message

asking for further information and for someone to contact him about his request.

17. On March 21, 2011, Plaintiff again called CMS at the telephone number listed on Mr. Eckert's February 9 letter to inquire about the status of his request. Plaintiff's call was again transferred to a voicemail box. This time, Plaintiff was able to leave a message asking about the status of his request and for someone to contact him as soon as possible.

18. To date, no one from CMS has responded to Plaintiff's March 21, 2011 message. Nor has anyone from CMS otherwise responded to his FOIA request.

19. As of the date of this Complaint, HHS has failed to produce any records responsive to the request, demonstrate that responsive records will be produced or inform Plaintiff that it will not produce responsive records.

20. Because HHS failed to comply with the time limit set forth in 5 U.S.C. § 552(a)(6)(A) or extend that time limit pursuant to 5 U.S.C. § 552(a)(6)(B), Plaintiff is deemed to have exhausted any and all administrative remedies with respect to his FOIA request, pursuant to 5 U.S.C. § 552(a)(6)(C).

COUNT I

(Violation of the Freedom of Information Act, 5 U.S.C. § 552)

21. Plaintiff realleges paragraphs 1-20 as fully stated herein.

22. Defendant has violated FOIA by failing to produce any and all non-exempt records responsive to Plaintiff's January 7, 2011 request within the twenty (20) day time period required by 5 U.S.C. § 552(a)(6)(A)(i) and by failing to demonstrate that any withheld records responsive to this same request are exempt from production.

23. Plaintiff is being irreparably harmed by reason of Defendant's violation of FOIA and will continue to be irreparably harmed unless Defendant is compelled to conform its conduct

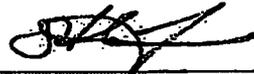
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to the requirements of the law.

WHEREFORE, Plaintiff respectfully requests that the Court: (1) declare Defendant's failure to comply with FOIA to be unlawful; (2) order Defendant to search for and produce any and all non-exempt records responsive to Plaintiff's January 7, 2011 request; (3) enjoin Defendant from continuing to withhold any and all non-exempt records responsive to the request; (4) grant Plaintiff an award of attorney's fees and other litigation costs reasonably incurred in this action pursuant to 5 U.S.C. § 552(a)(4)(E); and (5) grant Plaintiff such other relief as the Court deems just and proper.

Dated: March 23, 2011

Respectfully submitted,



Simon J. Torres, Bar No. 973898
MORGAN, LEWIS & BOCKIUS LLP
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Washington, D.C. 20004
Telephone: 202.739.3000
Facsimile: 202.739.3001
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Morgan Lewis
C O U N S E L O R S A T L A W

Simon Joseph Torres
Associate
202.739.5617
storres@MorganLewis.com

January 7, 2011

BY FACSIMILE - (202) 690-8320

Mr. Robert Eckert
Freedom of Information Officer
United States Department of Health and Human Services FOIA Office
Mary E. Switzer Building, Room 2221
330 C Street, S.W.
Washington, D.C. 20201

Re: Freedom of Information Act Request

Dear Mr. Eckert:

Pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, *et. seq.*, as amended, we respectfully request the following documents from files maintained by the United States Department of Health and Human Services ("HHS"), including but not limited to files maintained by HHS's Office of Consumer Information and Insurance Oversight:

1. Any and all memoranda, guidance, directives, instructions and other documents – whether electronic or written and whether distributed internally or externally – relating to the criteria to be applied by HHS in deciding whether to grant or deny applications for waiver of the annual limit requirements of the Public Health Services Act (the "PHS Act") Section 2711.
2. Any and all memoranda, notes, letters and other documents – whether electronic or written and whether distributed internally or externally -- relating to the approval, denial or consideration of applications for waiver of the annual limit requirements of PHS Act Section 2711 by an applicant with 1,000 or more enrollees, including but not limited to any letters submitted to HHS in support of or against waiver, such as any letters submitted by members of the United States Congress, state officials or local officials.

Mr. Robert Eckert
January 7, 2011
Page 2

As required by FOIA, please provide redacted copies of documents if the document contains some information which is subject to a FOIA exemption. If any documents are fully withheld based on a FOIA exemption, please explain the basis of such full withholding.

We will assume financial responsibility for all necessary charges incurred, including costs of the search and duplication of files. Please contact me in advance at (202) 739-5617 if the cost will exceed \$300.

Your prompt attention to this matter is appreciated. Please contact me as soon as possible at (202) 739-5617 if you are unable to fully process and respond to this request within the twenty (20) day response period provided for by the FOIA or if you have any questions related to this request. Although we believe our response is very narrowly targeted so that a full response can be provided in the 20-day response period, if some but not all of the requested documents cannot be provided in the 20-day response period, please provide a partial response with those documents that are available. Thank you in advance for your assistance.

Respectfully submitted,



Simon J. Torres

* * * COMMUNICATION RESULT REPORT (JAN. 7. 2011 11:37AM) * * *

F. 1

FAX HEADER:

NS

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[3] BUSY
[4] NO FACSIMILE CONNECTION

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
TEL: 202.739.3000
FAX: 202.739.3001
eFax: 877.432.9652
www.morganlewis.com

Morgan Lewis
COUNSELORS AT LAW

SEND TO

Name: Mr. Robert Eckert, FOIA Officer Firm: United States Department of Health and Human Services FOIA Office
FAX #: (202) 690-8320 Telephone #: (202) 690-7453

FROM

Name: Simon Joseph Torres Floor: 13
Operator Sending: Telephone #: 202.739.5617
FAX #: 877.432.9652 Date Sent: January 7, 2011 No of Pages: 3 (including cover page)

FAX MESSAGE

THE INFORMATION CONTAINED IN THIS FAX MESSAGE IS INTENDED ONLY FOR THE PERSONAL AND CONFIDENTIAL USE OF THE NAMED RECIPIENT(S). THIS MESSAGE MAY BE AN ATTORNEY-CLIENT COMMUNICATION AND AS SUCH IS PRIVILEGED AND CONFIDENTIAL. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT OR AN AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT YOU HAVE RECEIVED THIS DOCUMENT IN ERROR AND THAT ANY REVIEW, DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS MESSAGE IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE, AND RETURN THE ORIGINAL MESSAGE TO US BY MAIL. THANK YOU.

COMMENTS

Mr. Eckert:

Please see the enclosed request made under the Freedom of Information Act and call me if you have any questions. Your prompt attention to this matter is appreciated.

Sincerely,

Simon J. Torres

1004446001



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

January 12, 2011

Dear Requester:

This will acknowledge receipt of your Freedom of information (FOIA) request dated January 11, 2011. Your request has been assigned a case number based on the date of its receipt in this office and is being processed as expeditiously as possible. The actual processing time will depend on the complexity of your request and whether sensitive records, voluminous records, extensive search, and/or consultation with other HHS components or other executive branch agencies are involved. These agencies will provide a direct response to you. There may be a charge for those records and, in some cases, the charges may be substantial.

If you have any questions, please call (202) 690-7453 refer to case number 2011-0401GD.

Freedom of Information/Privacy Acts Division
Office of the Assistant Secretary for Public Affairs
330 C Street, S.W.
Switzer Building, Room 2206
Washington, DC 20201

RECEIVED

JAN 11 2011

MORGAN, LEWIS & BOCKIUS, LLP

RECEIVED

JAN 11 2011

MORGAN, LEWIS & BOCKIUS, LLP

100747629000



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

Case 2011-0401GD

February 9, 2011

Simon Torres
Morgan & Lewis
1111 Pennsylvania Ave., NW
Washington, C 20004

Dear Mr. Torres:

Your Freedom of Information Act request of January 11, 2011, has been reassigned to another component within the Department of Health and Human Services due to an organizational transfer of the Office of Consumer Information and Insurance Oversight to the Centers for Medicare & Medicaid Services (CMS).

Therefore, your request is now being coordinated by CMS, which will respond directly to you. Should you have questions about your request, please forward them to:

Freedom of Information Office
Centers for Medicare & Medicaid Services (CMS)
North Building, Room N2-20-06
7500 Security Boulevard
Baltimore, MD 21244
410-786-5353

Sincerely,

Robert Eckert
Director
FOI/Privacy Acts Division
Office of Public Affairs

RECEIVED

FEB 14 2011

MORGAN, LEWIS & BOCKIUS, LLP

11001416141001

190446001

EXHIBIT 4

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
Tel: 202.739.3000
Fax: 202.739.3001
www.morganlewis.com

Morgan Lewis
C O U N S E L O R S A T L A W

Simon J. Torres
Associate
202.739.5617
storres@MorganLewis.com

March 11, 2011

BY FACSIMILE - (410) 786-0474

Freedom of Information Office
Center for Medicare & Medicaid Services (CMS)
United States Department of Health and Human Services
North Building, Room N2-20-06
7500 Security Boulevard
Baltimore, MD 21244

Re: Freedom of Information Act Request – Case 2011-0401GD

Dear Sir or Madam:

This letter serves as a request for an immediate response to the above-referenced request for documents made on January 7, 2011, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, *et. seq.*

More than two months have passed since my request was received and I have not received anything from the United States Department of Health and Human Services (HHS) that satisfies its obligations under FOIA with respect to responding to my request. And, as explained below, I have made numerous unsuccessful attempts to contact you about my pending request. Moreover, as discussed below, the need for this information is more critical now given the increased pace that HHS appears to be granting waivers. I must immediately receive the requested information by March 18, 2011 or I will have no other recourse but to file a lawsuit to obtain it.

For your convenience, below is a summary of the relevant events.

- By a January 7, 2011 letter to the FOIA office of the United States Health and Human Services (HHS), I requested information in HHS's possession relating to waiver of the annual limit requirements of the Public Health Services Act (the "PHS Act") Section 2711 (see attached letter for specific requests).
- By letter dated January 12, 2011, HHS acknowledged its receipt of the request on January 11, 2011 and assigned the request a case number. While HHS stated that the request

CMS FOIA Office
March 11, 2011
Page 2

would be processed "as expeditiously as possible", it did not give a specific time by which it would respond or otherwise indicate any actual issues with our request.

- On February 2, 2011, I spoke with HHS FOIA Officer Bob Eckert by telephone to inquire about the status of the request. Mr. Eckert said that he would look into the situation and call me back. On February 4, 2011, I spoke by telephone with HHS's Garfield Daley, who explained that the request was being reassigned to another HHS component due to the transfer of HHS's Office of Consumer Information and Insurance Oversight to the Centers for Medicare & Medicaid Services (CMS). Mr. Garfield indicated that I would receive written notification of the transfer and that CMS would directly respond to my request. By February 9, 2011 letter, Mr. Eckert notified me of the transfer of the request to CMS and of CMS's contact information, but did not provide any further information as to the request's status.
- On February 28, 2011, I called CMS at the telephone number listed on Mr. Eckert's February 9 letter to inquire about the status of my request. My call was transferred to a voicemail box that was full and would not permit me to leave a message asking for further information and for someone to contact me.
- On March 1, 2011, I again called CMS at the telephone number listed on Mr. Eckert's February 9 letter to inquire about the status of my request. My call was transferred to a voicemail box that was full and would not permit me to leave a message asking for further information and for someone to contact me.
- On two separate occasions on March 8, 2011, I again called CMS at the telephone number listed on Mr. Eckert's February 9 letter to inquire about the status of my request. Each time, my call was transferred to a voicemail box that was full and would not permit me to leave a message asking for further information and for someone to contact me.
- To date, I have not received any response from CMS about my request.

The "core" purpose of FOIA is to require government agencies to disclose information that "contribut[es] significantly to public understanding of the operations or activities of the government." *United States Dep't of Defense v. Federal Labor Relations Auth.*, 510 U.S. 487, 495 (1994) (internal citations and quotations omitted). HHS's own website explains: "The Freedom of Information Act (FOIA) is a critical component of HHS' Open Government efforts." In his Memorandum for the Heads of Executive Departments and Agencies concerning FOIA, President Obama not only stressed the value and importance of FOIA, but expressly emphasized the importance of timely responses to FOIA requests: "In responding to requests under the FOIA, executive branch agencies (agencies) should act promptly and in a spirit of cooperation, recognizing that such agencies are servants of the public." Memorandum for the Heads of Executive Departments and Agencies, 74 Fed. Reg. 4683 (Jan. 26, 2009).

CMS FOIA Office
March 11, 2011
Page 3

FOIA requires HHS to respond to my request within 20 business days and to notify me that it will comply with my request and supply me with the requested documents or inform me that it will not comply (and explain both its reasons and that I have the right to appeal the adverse decision). 5 U.S.C. § 552(a)(6). HHS has not complied with this requirement – my request was received by HHS on January 11, 2011 and the agency has failed to respond to my request as required.

As I explained in my January 7, 2011 request letter, the need for the requested information is immediate, especially now that the number of waivers approved by HHS has exceeded 1,000 (including more than 826 approved waivers in the past three months). Indeed, according to HHS's website, HHS appears to have posted 126 new approved waivers last Friday alone. And, just this week Secretary Kathleen Sebelius touted waivers as a commitment by the present Administration to promote flexibility with respect to the new healthcare laws. See Press Release, U.S. Department of Health and Human Services, Obama Administration Takes New Steps to Support Innovation, Empower States (Mar. 10, 2011). Secretary Sebelius's announcement was in conjunction with a proposed rule regarding a procedural framework for submission and review of initial applications for a Waiver for State Innovation. Interested parties will have 60 days from this upcoming Monday to comment. The information on PHS Section 2711 Act waivers may prove invaluable in helping interested parties to formulate comments on the proposed rule concerning State Innovation Waivers.

As is plain, it is critical that HHS immediately provide the information FOIA required HHS to turn over a few months ago. Further delay by CMS in providing the requested information would render such information worthless and would constitute a continuing violation of HHS's FOIA obligations. Thus, I must receive the requested information – including all relevant information relating to waivers that have been granted since the date of my request – no later than next Friday, March 18, 2011. If I do not receive the requested information by this case, I will have no choice but to file a lawsuit in federal court.

Your prompt attention to this matter is appreciated. Please contact me at (202) 739-5617 to discuss.

Respectfully submitted,



Simon J. Torres

Enclosure

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
Tel: 202.739.3000
Fax: 202.739.3001
www.morganlewis.com

Morgan Lewis
COUNSELORS AT LAW

Simon Joseph Torres
Associate
202.739.5617
storres@MorganLewis.com

January 7, 2011

BY FACSIMILE - (202) 690-8320.

Mr. Robert Eckert
Freedom of Information Officer
United States Department of Health and Human Services FOIA Office
Mary E. Switzer Building, Room 2221
330 C Street, S.W.
Washington, D.C. 20201

Re: Freedom of Information Act Request

Dear Mr. Eckert:

Pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, *et. seq.*, as amended, we respectfully request the following documents from files maintained by the United States Department of Health and Human Services ("HHS"), including but not limited to files maintained by HHS's Office of Consumer Information and Insurance Oversight:

1. Any and all memoranda, guidance, directives, instructions and other documents – whether electronic or written and whether distributed internally or externally – relating to the criteria to be applied by HHS in deciding whether to grant or deny applications for waiver of the annual limit requirements of the Public Health Services Act (the "PHS Act") Section 2711.
2. Any and all memoranda, notes, letters and other documents – whether electronic or written and whether distributed internally or externally – relating to the approval, denial or consideration of applications for waiver of the annual limit requirements of PHS Act Section 2711 by an applicant with 1,000 or more enrollees, including but not limited to any letters submitted to HHS in support of or against waiver, such as any letters submitted by members of the United States Congress, state officials or local officials.

Mr. Robert Eckert
January 7, 2011
Page 2

As required by FOIA, please provide redacted copies of documents if the document contains some information which is subject to a FOIA exemption. If any documents are fully withheld based on a FOIA exemption, please explain the basis of such full withholding.

We will assume financial responsibility for all necessary charges incurred, including costs of the search and duplication of files. Please contact me in advance at (202) 739-5617 if the cost will exceed \$300.

Your prompt attention to this matter is appreciated. Please contact me as soon as possible at (202) 739-5617 if you are unable to fully process and respond to this request within the twenty (20) day response period provided for by the FOIA or if you have any questions related to this request. Although we believe our response is very narrowly targeted so that a full response can be provided in the 20-day response period, if some but not all of the requested documents cannot be provided in the 20-day response period, please provide a partial response with those documents that are available. Thank you in advance for your assistance.

Respectfully submitted,



Simon J. Torres

1604446267

LEARN KEY ISSUES JOIN CONFERENCE NEWS



CrossroadsGPS



Crossroads GPS Sues Obama Administration Over Failure to Release Obamacare Waiver Documents

Crossroads GPS files lawsuit against U.S. Department of Health and Human Services to force release of information concerning entities that have requested and received, or been rejected for, waivers from Obamacare requirements.

WASHINGTON – Today, a law firm representing Crossroads Grassroots Policy Strategies (GPS), a nonprofit conservative issue advocacy organization, filed a [lawsuit](#) against the U.S. Department of Health and Human Services (HHS) in the United States District Court for the District of Columbia, over the department's repeated failure to comply with the Freedom of Information Act by providing information about the department's granting of waivers from the Patient Protection and Affordable Health Act, also known as Obamacare.

The lawsuit seeks judicial enforcement of a FOIA request for "any and all memoranda, guidance, directives, instructions and other documents ... relating to the criteria to be applied by HHS in deciding whether to grant or deny applications for waiver of the annual limit requirements" ordered by the Obamacare law.

"The Obamacare waiver program has all the same flaws as the underlying law: unfettered government power, federal bureaucrats picking winners and losers, and the appearance, if not the reality, of favoritism to political cronies," said Steven Law, president of Crossroads GPS. "Until President Obama is willing to grant the entire country a waiver from Obamacare, his Administration needs to come clean on how they decide who wins and losers in the waiver lottery."

Crossroads GPS submitted its FOIA request to HHS on January 7, 2011, and HHS acknowledged its receipt of the request on January 11, 2011. After repeated attempts by letter, phone, email and fax to generate action on the request, no action has been taken, despite the 20 day statutory limit on fulfilling FOIA requests.

As of March 6, more than 1,000 waivers have been given to organizations granting a one-year exemption from Obamacare coverage requirements. Dozens of other waiver requests have been denied, but without the government adequately disclosing the reasoning or process behind the waiver process. Large numbers of waivers have been granted by HHS to labor unions, many of which strongly supported passage of Obamacare and have made significant political contributions to the President.

Both the FOIA request and lawsuit were filed by the law firm Morgan, Lewis and Bockius LLP, on behalf of Crossroads GPS.

Crossroads GPS is a policy and grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens to take action on the critical economic and

HONORABLE

legislative issues that will shape our nation's future in the years ahead.

For more information, contact Jonathan Collegio at jacollegio@crossroadsps.org or (202) 559-6424.

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10/20/2010 10:27:58 AM

HOLTZMAN VOGEL PLLC
Attorneys at Law

45 North Hill Drive
Suite 100
Warrenton, VA 20186
p/540-341-8808
f/540-341-8809

December 22, 2010

Christopher Hughey, Esq.
General Counsel's Office
999 E Street, NW
Washington, DC 20463

Re: Response of Crossroads Grassroots Policy Strategies in MUR 6396

Dear Mr. Hughey,

This Response is submitted by the undersigned counsel on behalf of Crossroads Grassroots Policy Strategies (Crossroads GPS), in response to the Complaint designated as Matter Under Review 6396. By letter dated October 28, 2010, we requested a 45-day extension to respond to the Complaint, or until December 24, 2010, citing "the breadth of the issues raised in the Complaint, both factual and legal." After executing a tolling agreement, our extension request was granted by letter dated November 4, 2010.

The lead Complainant, Public Citizen, is a familiar one to the Commission, and is joined not by its usual allies, but by a quartet of relatively unknown, far-left organizations. Together, they suffer from a nagging inability to correctly describe prevailing legal standards. Once the correct legal standards are identified and applied, however, it is readily apparent that Crossroads GPS is *not* a "political committee," as the Complainants contend.

Crossroads GPS acknowledges making independent expenditures, consistent with *Citizens United v. FEC*. It filed independent expenditure reports with the FEC, as appropriate, as well as electioneering communications reports when required to do so. Crossroads GPS's FEC-regulated public communications all contain appropriate disclaimers. The organization's "major purpose," however, is not Federal campaign activity. In fact, through calendar year 2010, Crossroads GPS has spent approximately 60% of its resources on activities consistent with its tax-exempt purpose, including issue advocacy and grassroots lobbying communications with the general public. Accordingly, Crossroads GPS is not a "political committee," as that term is used in the Federal Election Campaign Act (FECA), and therefore, is not required to file a Statement of Organization or quarterly financial activity reports with the Commission.

Briefly stated, Crossroads GPS is, and always has been, in full compliance with FECA and all applicable FEC regulations.

I. Organizational Status

Crossroads GPS is organized under Section 501(c)(4) of the Internal Revenue Code as a social welfare organization. It is not a Section 527 political organization, nor a “political committee” subject to regulation by the FEC. Crossroads GPS engages in a limited amount of express advocacy activity which it believes complements its exempt purpose social welfare activities.

Under applicable Internal Revenue Service (IRS) standards, Crossroads GPS conducts itself appropriately. Specifically, IRS standards permit a Section 501(c)(4) organization to engage in some “political activity” so long as the organization’s *primary purpose* is not the “direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office.”¹ Given the rough equivalence of the IRS “primary purpose” test and the FEC’s “major purpose” test, a Section 501(c)(4) organization that is in compliance with IRS standards *should* be found to satisfy the FEC’s “political committee” test.

Moreover, the IRS’s “primary purpose” determination is made with respect to a full tax year of organizational activity. The current fiscal year of Crossroads GPS runs from June 1, 2010 to May 31, 2011. Thus, any IRS inquiry into the “primary purpose” of Crossroads GPS would not be in order until *after* May 31, 2011. Crossroads GPS is commissioning a full independent audit to be conducted beginning in June 2011, the results of which will be used to file the organization’s annual tax return (IRS Form 990) in October 2011 or January 2012 (depending on whether Crossroads GPS applies for a routine extension). While the FEC may apply different tests and standards for determining “political committee” status, it is at least premature for the Commission to act on a complaint that attempts to define the nature of an organization that has yet to complete its first full year of advocacy activity. Nevertheless, Crossroads GPS has acted lawfully at all times, and has never qualified for “political committee” status.

¹See Rev. Rul. 81-95; Treas. Reg. § 1.501(c)(4)-1(a)(2)(ii).

II. Complainant Misstates the Commission's "Political Committee Status" Test

The Complainants allege that "Crossroads GPS has violated the law by raising and spending significant amounts of money to influence the 2010 congressional elections without (1) registering as a political committee, as required by 2 U.S.C. § 433, (2) filing political committee financial disclosure reports required by 2 U.S.C. § 434, and (3) complying with the political committee organizational requirements of 2 U.S.C. § 432." Complaint at ¶ 1. According to the Complainants, "Crossroads GPS likely qualifies as an 'independent expenditure only' committee." *Id.* at footnote 1.

A. Correct Order of Political Committee Status Test

Complainants mischaracterize the "political committee" status test based on a reading of *Buckley v. Valeo* that the Commission has rejected repeatedly. According to Complainants, the "major purpose" of an organization is to be determined first, followed by an examination of whether the organization has made "expenditures" or received "contributions." Why Complainants would insist on this backwards approach is no mystery. Under their version of the *Buckley* standard, if Complainants can convince an adjudicatory body that an organization's "major purpose" is federal political/campaign activity, then *all* of the organization's spending can be presumed to be an "expenditure," and the distinction between issue advocacy and express advocacy can be disregarded.² Because there is no clearly defined "test" for determining "major purpose," this approach generates precisely the amorphous, ripe-for-abuse "I know it when I see it" approach to political committee status that the so-called "reform" lobby (including one of the Complainants) has pursued for years as part of its efforts to silence the political speech of others.

The Commission, of course, has always utilized the reverse approach; that is, the Commission first asks whether an organization has made "expenditures" or received "contributions," and *then* makes inquiries into the organization's "major purpose," using a relatively undefined set of standards. As the Commission realizes, however, the only way to determine *the* "major purpose" of an organization is by reviewing the organization's activities in terms of "express advocacy" and "issue advocacy." Other factors, such as officer and director statements and other public statements are peripheral to the inquiry. Thus, "expenditures" and "contributions" must be examined before the "major purpose" determination can possibly be made.

² Complainants write at ¶ 17: "the test for 'expenditure' in this case is the statutory standard of whether disbursements have been made 'for the purpose of influencing' any federal election, regardless of whether the disbursements were for any 'express advocacy' communication."

The order of the Commission's inquiry is clearly set forth in the 2007 Supplemental Explanation and Justification on Political Committee Status:

[D]etermining political committee status under FECA, as modified by the Supreme Court, requires an analysis of both an organization's specific conduct – whether it received \$1,000 in contributions or made \$1,000 in expenditures – as well as its overall conduct – whether its major purpose is Federal campaign activity (i.e., the nomination or election of a Federal candidate).

Many administrative actions, including the recently resolved actions against several 527 organizations . . . , include substantial investigations and case-by-case analyses and determinations of whether a group's fundraising generated "contributions" and whether payments for its communications made independently of a candidate constituted "expenditures," as alternative prerequisites to a determination that a group is a political committee, *prior to any consideration of the group's major purpose.*

Supplemental Explanation and Justification on Political Committee Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (emphasis added).

The same document further explained, "the major purpose test serves as an additional hurdle to establishing political committee status. Not only must the organization have raised or spent \$1,000 in contributions or expenditures, but it must additionally have the major purpose of engaging in Federal campaign activity." *Id.* at 5601. *See also* MUR 5694 (Americans for Job Security, Inc.), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 16 ("Contrary to how the complainants may wish to have it applied, the 'major purpose' test is not the first prong of a two-prong test for political committee status.").

While Crossroads GPS freely concedes that it has made more than \$1,000 in "expenditures," the organization's "major purpose" can only be determined by analyzing the whole its activities, which means comparing its express advocacy (expenditure) activity to its issue advocacy, grassroots lobbying and other non-expenditure activity.

Complainants rely on dicta from *Shays v. FEC*, 511 F.Supp.2d 19 (D.D.C. 2007) in support of their argument that "major purpose" should be examined first. They neglect to note that the court actually concluded that the FEC's approach to determining "political committee" status, as set forth in the Supplemental Explanation and Justification on Political Committee Status, "is not unlawful in any way" because "[w]hile plaintiffs would like the agency to first

determine an organization's major purpose, with particular focus on whether they are a 527 group, neither the statute nor judicial precedent establishes any particular 'order of operations' in making the 'political committee' determination." *Shays v. FEC*, 511 F.Supp.2d at 17-18. In fact, contrary to Complainants' assertions, the FEC's established approach was upheld in the case it cites.

B. "A" Versus "The" Major Purpose

We also note that Complainants, when describing the applicable "major purpose" standard, repeatedly refer to "a major purpose" of the organization, as opposed to "the major purpose" of the organization. See, e.g., Complaint at ¶¶ 11, 13, 15 and 28. We presume the Complainants' language is an intentional misstatement of the law, and also presume that the Commission is well-aware that *Buckley* refers to "the major purpose" of an organization. In 2008, the Fourth Circuit Court of Appeals specifically addressed the issue of "a major purpose" versus "the major purpose." The Fourth Circuit concluded:

Viewed in light of *Buckley*'s goals, it is clear that the importance the plaintiffs attach to the definite article is correct. *Buckley*'s articulation of the permissible scope of political committee regulation is best understood as an empirical judgment as to whether an organization primarily engages in regulable, election-related speech. Thus, the Court in *Buckley* must have been using "the major purpose" test to identify organizations that had the election or opposition of a candidate as their only or primary goal -- this ensured that the burdens facing a political committee largely fell on election-related speech, rather than on protected political speech. *Id.* (stating that political committees, as defined by "the major purpose" test, are "by definition, campaign related"). If organizations were regulable merely for having the support or opposition of a candidate as "a major purpose," political committee burdens could fall on organizations primarily engaged in speech on political issues unrelated to a particular candidate. This would not only contravene both the spirit and the letter of *Buckley*'s "unambiguously campaign related" test, but it would also subject a large quantity of ordinary political speech to regulation.

Subsequent case law affirms the plaintiff's interpretation. To begin, the Supreme Court reaffirmed *Buckley*'s "the major purpose" test in *Federal Election Commission v. Massachusetts Citizens for Life, Inc.*, 479 U.S. 238, 107 S. Ct. 616, 93 L. Ed. 2d 539 (1986) ("*MCFL*"). There, the Court stated that an organization could be classified as a political committee if "the organization's major purpose may be regarded as campaign activity," and referred to regulable political committees as "groups whose primary objective is to influence political campaigns." *Id.* at 262 (emphasis added). Furthermore, *McConnell* recently quoted *Buckley*'s "the major purpose" language favorably. See

McConnell, 540 U.S. at 170 n.64. The Supreme Court has thus not relaxed the requirement that an organization have “*the* major purpose” of supporting or opposing a candidate to be considered a political committee. And given the Supreme Court's direction on this issue, it is unsurprising that a number of lower courts have also adopted *Buckley*'s “*the* major purpose” test in some form, highlighting that regulation as a political committee is only proper if an organization primarily engages in election-related speech. See, e.g., *California Pro-Life Council, Inc. v. Getman*, 328 F.3d 1088, 1104 n.21 (9th Cir. 2003); *Fed. Election Comm'n v. Machinists Non-partisan Political League*, 210 U.S. App. D.C. 267, 655 F.2d 380, 391-92 (D.C.Cir. 1981); *Richey v. Tyson*, 120 F. Supp. 2d 1298, 1311 (S.D. Ala. 2000); *Volle v. Webster*, 69 F. Supp. 2d 171, 174-76 (D. Me. 1999); *New York Civil Liberties Union, Inc. v. Acito*, 459 F. Supp. 75, 84 n.5, 89 (S.D.N.Y. 1978).

Thus, we are convinced that the Court in *Buckley* did indeed mean exactly what it said when it held that an entity must have “*the* major purpose” of supporting or opposing a candidate to be designated a political committee. Narrowly construing the definition of political committee in that way ensures that the burdens of political committee designation only fall on entities whose primary, or only, activities are within the “core” of Congress's power to regulate elections. *Buckley*, 424 U.S. at 79. Permitting the regulation of organizations as political committees when the goal of influencing elections is merely one of multiple “major purposes” threatens the regulation of too much ordinary political speech to be constitutional.

North Carolina Right to Life, Inc. v. Leake, 525 F.3d 274, 287-289 (4th Cir. 2008) (internal footnote omitted). See also MUR 5694 (*Americans for Job Security, Inc.*), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 16-17 n.61 (“We note that the appropriate test looks to ‘*the*’ major purpose, and not simply whether influencing elections is one of several subjective goals....If organizations were regulable merely for having the support or opposition of a candidate as ‘*a* major purpose,’ political committee burdens could fall on organizations primarily engaged in speech on political issues unrelated to a particular candidate.”).

III. Crossroads GPS's Express Advocacy Activities Versus Grassroots Issue Advocacy and Other Educational Activities

Complainants attempt to bolster their apparently poor grasp of the law with a sloppy and incomplete compilation of facts.³ They note that Crossroads GPS maintains a YouTube Channel, where it posts copies of its advertisements, and assert that this YouTube Channel “contain[s] 22 ads obviously produced ‘for the purpose of influencing’ the 2010 Congressional elections, *see* 2 U.S.C. § 431(9)(A)(i), with all or most also expressly advocating the election or defeat of candidates for federal office.”⁴ Complaint at ¶ 37.

Due to their haste in filing this Complaint, Complainants were unable to present a complete picture of Crossroads GPS's activities, and do not even attempt to provide the Commission with a full inventory of Crossroads GPS's public communications. It appears that Complainants have not even taken the time to review Crossroads GPS's electioneering communication and independent expenditure reports that are available on the FEC's website.

A. Basic Overview of Crossroads GPS Finances

As a Section 501(c)(4) organization, Crossroads GPS is not required to publicly report any of its non-express advocacy spending until it files IRS Form 990. However, for the sole purpose of responding to this Complaint, the following overview is provided.

From its inception on June 1, 2010 through December 15, 2010, Crossroads GPS raised approximately \$43.6 million. Approximately \$39.1 million of this total was spent on communications with the public, pre-production activities in support of these communications, and grants to other non-profit organizations engaged in social welfare activities. Of this approximately \$39.1 million, \$15,445,039.50 was spent on independent expenditures that were reported to the FEC. The remaining amount, approximately \$23.7 million, was spent on activities furthering the exempt purpose of Crossroads GPS, including issue advocacy, grassroots lobbying, and educational activities to promote issues related to the organization's “7 in ‘11” National Action Plan (described in more detail on page 16 of this Response). The 2010 calendar year percentage split between exempt purpose spending and independent expenditures is

³ We note that one of the Complainants, Public Citizen, has been chastised by three Commissioners in the past for its haphazard approach to filing complaints. *See* MUR 5694 (Americans for Job Security, Inc.), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 1 n.1.

⁴ Complainants' assertion that the phrase “for the purpose of influencing” means something broader than “express advocacy” is a product of their wrongly-ordered political committee status test – and is yet another instance of their refusal to correctly represent the law before the Commission.

approximately 59% to 39%. The remaining 2% is attributable to overhead and administrative expenses.

B. Grassroots Issue Advocacy and Other Educational Activities

As noted above, Crossroads GPS has spent the great majority of its funds on grassroots lobbying, issue advocacy and educational activities. Also, Crossroads GPS is in the process of commissioning a full, independent audit of its finances, to be conducted beginning in June 2011, after Crossroads GPS's current fiscal year (June 1, 2010 – May 31, 2011) ends. In the meantime, Crossroads GPS is able to provide the Commission with the following figures, which are compiled from existing records.

1. Pre-Electioneering Communication Period Issue Advocacy

In the summer of 2010, two months after its formation and prior to the commencement of the general electioneering communications period, Crossroads GPS announced its "7 in '11" National Action Plan: a policy agenda of key national legislative matters impacting jobs and the economy that would need to be addressed by Congress in any "lame-duck" session and in 2011. During the same time period, and prior to the commencement of the electioneering communications period, Crossroads GPS aired seven issue advocacy and/or grassroots lobbying advertisements on issues related to the "7 in '11" National Action Plan. Approximately \$4.3 million was spent on these television advertisements. (These advertisements are titled: "Worried"⁵; "Calendar"⁶; "Debt Clock"⁷; "Lawsuit"⁸; "Wrong Way"⁹; "Thanks Harry"¹⁰; and "Hurting."¹¹ All are available on YouTube, at the links noted, and scripts are attached as well.)

Each of these advertisements constituted grassroots lobbying and issue advocacy under Chief Justice Robert's *Wisconsin Right to Life* test, and none contained express advocacy. These ads urged viewers to take action with respect to specific policies or legislation under consideration by Congress. The ads prominently provided the address of the Crossroads GPS website, which directed visitors to template pages enabling viewers to send letters and emails to Members of Congress, urging them to take specific policy and legislative actions. Viewers could also send letters to the editors of various publications and make blog postings.

⁵ "Worried": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/35/wQd74O3PEM8>.

⁶ "Calendar": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/40/f85DHhYcqU4>.

⁷ "Debt Clock": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/34/7UzT0QTcZKw>.

⁸ "Lawsuit": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/38/4lr9xEr9zgU>.

⁹ "Wrong Way": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/36/fEKxPGcEDVM>.

¹⁰ "Thanks Harry": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/39/NmGfdA2-wB0>.

¹¹ "Hurting": <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/37/NCBIbj9nOMs>.

2. Communications During the Electioneering Period

During the electioneering communications period, Crossroads GPS filed electioneering communications reports, totaling \$1,104,783.48, for four television advertisements that satisfied the statutory definition of “electioneering communication” at 2 U.S.C. § 434(f)(3). (See “Debt Clock Long,”¹² “Health/Bad Sign,”¹³ “Health/Baby,”¹⁴ and “Jobs/Thanks a Lot.”¹⁵) In some instances, these electioneering communications were the same ads referenced in the section above, but which happened to straddle the beginning date of the electioneering communications period.

These four advertisements contained no express advocacy – under either 11 C.F.R. § 100.22(a) or (b) – and qualify as grassroots lobbying and issue advocacy communications under the standards set forth in *FEC v. Wisconsin Right To Life*, 551 U.S. 449 (2007). As with Crossroads GPS’ issue advocacy advertising prior to the electioneering period, all of these ads advocated viewer action on a current, specific legislative or policy issue, and two linked to the Crossroads GPS website which provided further information and an opportunity for viewers to personally advocate on the issue with their elected representatives or local media. (The other two ads provided a telephone number for viewers to call.)

All of Crossroads GPS’s non-express advocacy communications bear the hallmarks of genuine grassroots lobbying and issue advocacy communications, as described by Chief Justice Roberts in *FEC v. Wisconsin Right To Life, Inc.* That is, the:

ads are plainly not the functional equivalent of express advocacy. First, their content is consistent with that of a genuine issue ad: The ads focus on a legislative issue, take a position on the issue, exhort the public to adopt that position, and urge the public to contact public officials with respect to the matter. Second, their content lacks indicia of express advocacy: The ads do not mention an election, candidacy, political party, or challenger; and they do not take a position on a candidate’s character, qualifications, or fitness for office.

FEC v. Wisconsin Right to Life, Inc., 551 U.S. at 470. Moreover, “[i]ssue advocacy conveys information and educates. An issue ad’s impact on an election, if it exists at all, will come only after the voters hear the information and choose – uninvited by the ad – to factor it into their voting decisions.” *Id.* And, of course, we must remember that “contextual factors . . . should

¹² “Debt Clock Long”: <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/30/7OjW3Negpm0>.

¹³ “Health/Bad Sign”: <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/33/m5BvNfRi8dg>.

¹⁴ “Health/Baby”: <http://www.youtube.com/user/CrossroadsGPSChannel#p/u/31/gWwnTGkwGwI>.

¹⁵ “Jobs/Thanks a Lot”: http://www.youtube.com/user/CrossroadsGPSChannel#p/u/32/3F1IX0_trLk.

seldom pay a significant role” in evaluating whether an ad satisfies the *Wisconsin Right to Life* test. *Id.* at 473-474. Finally, “WRTL does not forfeit its right to speak on issues simply because in other aspects of its work it also opposes candidates who are involved with those issues.” *Id.* at 472.

Complainants’ do not even attempt to undertake an individualized analysis of particular ads that it believes should be subject to regulation, but merely states that *all* of Crossroads GPS’s advertisements (or at least the ads they were able to find quickly on YouTube) were “obviously produced ‘for the purpose of influencing’ the 2010 Congressional elections . . . with all or most also expressly advocating the election or defeat of candidates for federal office.” Complaint at ¶ 37. **To the extent that Complainants offer only conclusory statements, as opposed to specific allegations of wrongdoing, they have not carried their burden of demonstrating that there is reason to believe a violation occurred.**

Complainants specifically refer to eight television ads produced and distributed by Crossroads GPS. *See* Complaint at ¶¶ 38-46. These paragraphs of the Complaint are not accompanied by any analysis, although we presume the Complainants conclusory language in Paragraph 37 is intended to apply to each of the eight specifically referenced advertisements. However, if ¶¶ 38-46 of the Complaint prove anything, it is that Crossroads GPS sponsored a limited number of independent expenditures, which it reported to the FEC, and sponsored far more issue advocacy advertisements. Insofar as Complainant asserts that “all or most [of Crossroads GPS’s television ads] also expressly advocat[e] the election or defeat of candidates for federal office,” *see* Complaint at ¶ 37, the examples they provide at ¶¶ 38-46 prove them wrong.

- Paragraph 38 of the Complaint refers to “Add Up,” which was reported to the FEC as an independent expenditure.
- Paragraph 39 of the Complaint refers to “Choice,” which was reported to the FEC as an independent expenditure.
- Paragraph 40 of the Complaint refers to “Worried,” which is clearly an issue ad under the *Wisconsin Right to Life* test. “Worried” was distributed prior to the electioneering communications period, and urged viewers to call Senator Boxer to urge her to stop Obamacare’s Medicare cuts.
- Paragraph 41 of the Complaint refers to “Hurting,” which is clearly an issue ad under the *Wisconsin Right to Life* test. “Hurting” was distributed prior to the electioneering communications period, and urged viewers to call Congressman Joe Sestak to urge him to stop Obamacare’s Medicare cuts.
- Paragraph 42 of the Complaint refers to “Bad Sign,” which was reported to the FEC as an electioneering communication. It contains no words of express advocacy, and is an issue ad under the *Wisconsin Right to Life* test. “Bad Sign”

urged viewers to contact Kentucky Attorney General Jack Conway to urge him to support other state Attorneys General in their lawsuit against Obamacare's individual mandate provision.

- Paragraph 43 of the Complaint refers to "Calendar," which is an issue ad under the *Wisconsin Right to Life* test. "Calendar" was distributed prior to the electioneering communications period. "Calendar" urged viewers to call Senator Michael Bennet to urge him to "stop the spending spree" by voting against Senate Amendment 4594.
- Paragraph 44 of the Complaint refers to "Lawsuit," which is an issue ad under the *Wisconsin Right to Life* test. "Lawsuit" was distributed prior to the electioneering communications period. "Lawsuit" urged viewers to call Robin Carnahan to urge her to support the Obamacare legal challenge and the Missouri Lieutenant Governor's lawsuit.
- Paragraph 45 of the Complaint refers to "Thanks Harry," which is an issue ad under the *Wisconsin Right to Life* test. "Thanks Harry" was distributed prior to the electioneering communications period. "Thanks Harry" urged viewers to contact Senator Harry Reid to urge him to help Nevada by rejecting new stimulus spending.

Complainants expend considerable effort attempting to establish that the express advocacy standard set forth at 11 C.F.R. § 100.22(b) is valid and applicable. See Complaint at ¶¶ 19-21. The validity of section 100.22(b) is largely irrelevant in this matter because Crossroads GPS fully acknowledges making express advocacy communications, and it has filed independent expenditure reports for those communications.¹⁶ **The communications that Crossroads GPS classifies as grassroots lobbying, education, and issue advocacy do not meet any express advocacy standard.** To the extent that Complainants argue that "all or most" of Crossroads GPS's television advertisements contain express advocacy, they are simply incorrect, and their own Complaint demonstrates as much. Complainants offer only unwarranted, incorrect, and overbroad legal conclusions that are unsupported by the facts.

None of the communications classified by Crossroads GPS as grassroots lobbying or issue advocacy contain the "magic words" of 11 C.F.R. § 100.22(a), nor does any contain an "electoral portion" that is "unmistakable, unambiguous, and suggestive of only one meaning" of which "reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidates." See 11 C.F.R. § 100.22(b). With respect to those advertisements that qualify as statutory electioneering communications, each satisfies Chief

¹⁶ Because we do not believe that any aspect of this matter turns on the validity or applicability of 11 C.F.R. § 100.22(b), we have not included discussion of its constitutionality. If any such discussion is needed, we direct your attention to MUR 5974 (New Summit Republicans), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 4-5, n.10.

Justice Roberts' test in *FEC v. Wisconsin Right to Life, Inc.* for identifying communications that are *not* the functional equivalent of express advocacy.

Scripts of Crossroads GPS's television advertisements are included in the attached materials. The advertisements themselves are available on Crossroads GPS's YouTube channel, at <http://www.youtube.com/user/crossroadsgpschannel>.

3. Other Activities

In addition to the particular television advertisements discussed above, Crossroads GPS has engaged in a broad range of other advocacy activities that Complainants choose to ignore.

- Both before and after the national elections, Crossroads GPS sponsored issue advocacy print advertisements on the tax relief extension issue. See the attached advertisement, urging support for S.3773, the Tax Hike Prevention Act, which was published in *Roll Call* and *Politico* on September 28, 2010, and in *Roll Call* and *The Hill* on November 17, 2010.
- Crossroads GPS sponsored numerous issue advocacy mailings and phone calls.
- Crossroads GPS made grants to other Section 501(c)(4) organizations in calendar year 2010. These grants were made under the condition that the funds be spent on activities consistent with each organization's Section 501(c)(4) exempt purpose.
- In December 2010, Crossroads GPS conducted and publicly related a nationwide public opinion study showing strong support for extending the Bush-era tax rates for all taxpayers, as part of a multifaceted effort to build support for broad-based tax relief.
- Also in December 2010, Crossroads GPS spent hundreds of thousands of dollars on radio advertisements urging the House majority to act on extending the Bush-era tax rates for all taxpayers. The ads ran during a time period when there was considerable uncertainty over what the House leadership would do and whether it would attempt to modify the White House-Senate "deal" on tax rates. Within days after the ads began, the House majority signaled that it would move forward with a straightforward vote to accept the White House-Senate "deal." (The script for these advertisements, titled "Deal," is included in the attachments.)
- Crossroads GPS built and maintains a website, which is described in more detail on pages 15-16 of this Response.
- As noted earlier, Crossroads GPS developed and publicized its "7 in '11" National Action Plan, which lists "seven key priorities for legislative action this fall or in a 'lame-duck' session of Congress or in 2011."

- Crossroads GPS engaged in extensive research to create lists of citizens who are concerned about issues including those in the “7 in ‘11” National Action Plan.

Altogether, Crossroads GPS spent approximately \$23.7 million on activities in furtherance of its Section 501(c)(4) exempt purpose, including issue advocacy and grassroots lobbying communications.

As of December 15, 2010, Crossroads GPS had approximately \$4 million cash on hand, most of which will be spent on activities related to legislative and policy issues in 2011. To put this figure into context, the budget for the Crossroads GPS issue advocacy program in 2011 (although not finalized and approved) is anticipated to be at least \$20 million.

C. Express Advocacy

Crossroads GPS spent \$15,445,039.50 on televised independent expenditures, all of which were reported to the FEC. Crossroads GPS’s 48-hour, 24-hour, and quarterly independent expenditure reports are publicly available on the FEC’s website. An additional \$4,500 was spent on express advocacy phone calls, also reported to the FEC, bringing Crossroads GPS’s total calendar year 2010 independent expenditure figure to \$15,749,171. This figure represents approximately 39% of Crossroads GPS’s calendar year 2010 spending (and does not include the additional \$4 million that Crossroads GPS has already designated for spending on legislative and policy advocacy in 2011).

IV. The Major Purpose of Crossroads GPS is Issue Advocacy, Grassroots Lobbying and Education of the General Public

As noted above, Crossroads GPS has publicly acknowledged making more than \$1,000 in independent expenditures.¹⁷ Thus, unlike most prior political committee status cases, the major

¹⁷ Following the repeal of critical portions of 11 C.F.R. § 100.57, there does not appear to be clear standard for determining when a donation is treated as a “contribution.” We presume that the court-ordered repeal of 11 C.F.R. § 100.57 was also a rejection of the standard set forth in *FEC v. Survival Education Fund, Inc.*, 65 F.3d 285 (2d Cir. 1995). Regardless of what standard the Commission currently uses for determining when a donation is treated as a “contribution,” Crossroads GPS’s fundraising was conducted in a manner appropriate for a Section 501(c)(4) organization. No funds were solicited for the purpose of supporting or opposing the election of clearly identified Federal candidates or for otherwise engaging in Federal political campaign activity. Rather, all solicitations emphasized that any funds raised would support the general mission of Crossroads GPS, which is to educate, equip and mobilize millions of American citizens to take action on the critical economic and legislative issues that will shape our nation’s future in the years ahead. Additionally, no funds were solicited or received for the specific purpose of funding electioneering communications or independent expenditures.

point of contention in this case is *not* whether the organization engaged in express advocacy, but rather, whether Crossroads GPS has Federal campaign activity as its “major purpose.”

A. Overall Activities and Spending

Like another Section 501(c)(4) organization found by the FEC *not* to be a “political committee,” Crossroads GPS “has engaged in a wide range of activities that are not directly related to federal campaign activity.” MUR 5988 (American Future Fund), Factual and Legal Analysis at 7. Crossroads GPS also continues to operate *after* Election Day 2010.

B. Major Purpose Test Considerations

The Commission has no established test for “major purpose” that is reducible to a multi-factor test – *i.e.*, no “bright lines” exist. Rather, the Commission seeks to evaluate the major purpose of an organization based on relatively cryptic judicial statements. The Commission previously explained that “the major purpose doctrine . . . requires the flexibility of a case-by-case analysis of an organization’s conduct that is incompatible with a one-size-fits-all rule.” Supplemental Explanation and Justification on Political Committee Status, 72 Fed. Reg. at 5601. Those seeking to comply with the law are left to navigate a “totality of the circumstances” approach to “major purpose.”

As three Commissioners recently explained, the “major purpose” test is a shield, not a sword:

The “major purpose” test is a judicial construct that spares some organizations from political committee registration and reporting, even though they have raised or spent more than \$1,000 on express advocacy; it is not the first prong of a two-prong test for political committee status. Instead, it is a judicial doctrine designed to protect organizations from the burdens of political committee registration, reporting and limitations, the reach of which is limited to “only encompass organizations that are under the control of a candidate or the major purpose of which is the nomination or election of a candidate.”

MURs 5977 and 6005 (American Leadership Project), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 8.

We bring to the Commission’s attention the following passage from a recent decision of the Tenth Circuit Court of Appeals:

There are two methods to determine an organization's 'major purpose': (1) examination of the organization's central organizational purpose; or (2) comparison of the organization's electioneering spending with overall spending to determine whether the preponderance of expenditures is for express advocacy or contributions to candidates.

New Mexico Youth Organized v. Herrera, 611 F.3d 669, 678 (10th Cir. 2010). The Commission's past practices appear to accord reasonably well with the 10th Circuit's formulation.

1. The Organization's Own Materials and Statements

Past enforcement cases often begin with an examination of the organization's own materials and statements, in accordance with *FEC v. Malenick*, 310 F.Supp.2d 230, 234-35(D.D.C. 2004) and *FEC v. GOPAC, Inc.*, 917 F.Supp. 851, 859 (D.D.C. 1996). This inquiry is consistent with the first method described in *New Mexico Youth Organized* ("examination of the organization's central organizational purpose").

In its Articles of Incorporation, Crossroads GPS "is established primarily to further the common good and general welfare of the citizens of the United States of America by engaging in research, education, and communication efforts regarding policy issues of national importance that will impact America's economy and national security in the years ahead."

A more detailed mission statement of Crossroads GPS is publicly available on its website. It reads:

Crossroads GPS is a policy and grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens to take action on the critical economic and legislative issues that will shape our nation's future in the years ahead.

Our goal is to provide a clear road map for concerned Americans on the most consequential issues facing our country, empowering them to set the direction of policymaking in Washington rather than being the disenfranchised victims of it.

It is no exaggeration to say that this is a watershed moment in America's history. Cataclysmic levels of debt, expansive government power, a nationalized health care system, a struggling economy and looming tax increases are all on the brink of reshaping and potentially devastating the great country we've all known.

Meanwhile, enduring American values such as freedom, limited government, low taxes and individual responsibility are being trampled underfoot by Washington's political elite.

Crossroads GPS is dedicated to the belief that most Americans don't support the big-government agenda being forced upon them by Washington – and that most people, if equipped with the facts and a road map for action, will work to restore the core principles and values on which this country was founded.

Mission Statement of Crossroads GPS available at <http://crossroadsgps.org/learn-more>.

Crossroads GPS's website highlights the organization's policy goals, including its "7 in '11" National Action Plan, which lists "seven key priorities for legislative action this fall or in a 'lame-duck' session of Congress or in 2011." See <http://crossroadsgps.org/7-in-11>. The seven points in this plan are:

1. *Guarantee Low Tax Rates that Encourage American Economic Growth*
2. *Stop Congress' Reckless Waste of Taxpayer Money*
3. *Aggressively Attack the National Debt*
4. *Reform Health Care Responsibly, not Ideologically*
5. *End the Bailout Culture*
6. *Protect our Borders, Enforce our Laws*
7. *Prioritize American Energy Development*

Each of these "action items" is explained in more detail on dedicated web pages designed to provide the public with educational information. See <http://crossroadsgps.org/7-in-11>.

Crossroads GPS's primary mission in 2010 and beyond is to advance the "7 in '11" National Action Plan. In doing so, the leadership of Crossroads GPS determined that engaging in *limited amounts* of express advocacy activity serves to advance the "7 in '11" National Action Plan. For example, Crossroads GPS's consistent advertising on wasteful spending projects contained in the 2009 "stimulus" legislation helped create a groundswell of opposition to "earmark"-oriented congressional spending, which led to the adoption of an ban on "earmarks" and bipartisan rejection of the "omnibus" spending bill during the recent "lame duck" session of Congress. Ending "wasteful 'stimulus' spending and pork-barrel earmarks" is a specific policy objective of the "7 in '11" National Action Plan. In the same way, Crossroads GPS expects that its pointed criticism of the health care legislation passed by Congress in 2010 will enhance prospects for repealing or substantially scaling back that legislation in 2011.

Complainants offer several statements, at Paragraphs 31-34 of the Complaint, derived from media stories and accounts, as "evidence" of Crossroads GPS's "major purpose." Complainants, however, offer nothing that could be construed as an organizational statement regarding any purpose of Crossroads GPS.

- At Paragraph 31 of the Complaint, Complainants refer to a *Washington Times* article. The language quoted in the Complaint is not a direct quotation from American Crossroads Chairman Mike Duncan, but rather, is nothing more than the author's paraphrasing. The article contains no quoted statements from any representative of Crossroads GPS concerning the "purpose" (major or otherwise) of Crossroads GPS.
- At Paragraph 32 of the Complaint, Complainants refer to statements made by Karl Rove. Mr. Rove holds no formal position with Crossroads GPS. Even so, the language quoted says nothing about the "purpose" of Crossroads GPS. Rather, Mr. Rove made the factually correct statement that donors who have "maxed out to the senatorial committee, the congressional committee or the RNC and would like to do more, under the Citizens United decision, you can give money to the American Crossroads 527, or Crossroads GPS..." Neither the *Think Progress* item cited in the Complaint, nor the original source material on *Fox News*, convey any information about the "purpose" of Crossroads GPS.
- At Paragraph 33 of the Complaint, Complainants cite a *Politico* story reporting "Crossroads GPS micro-targeting effort" was "focused on seven states - Colorado, Florida, Missouri, New Hampshire, Nevada, Ohio and Washington." Crossroads GPS engaged in micro-targeting efforts in these and other states. While Complainants appear to presume that "micro-targeting" is some sort of campaign tactic, it is simply research to identify distinguishing characteristics of people concerned about particular issues. "Micro-targeting" is performed by all manner of advocacy and commercial marketing organizations, and its purpose is to aid in more efficient and effective communications. Crossroads GPS's "micro-targeting" efforts tested its "7 in '11" National Action Plan.
- At Paragraph 34 of the Complaint, Complainants refer to another *Politico* story, but as is the case with the *Washington Times* article, the language highlighted by the Complainants is the author's characterizations. The cited *Politico* report contains no statements from any Crossroads GPS representative regarding the media buys referenced in the Complaint.

In short, the Complainants have not provided a single statement from any representative of Crossroads GPS that in any way suggests that the "major purpose" of Crossroads GPS is something other than the purpose set forth in its Articles of Incorporation or in its website mission statement. Moreover, a thorough review of Crossroads GPS's actual activities over the

past year, along with its announced intentions for 2011, make clear what the organization's primary and major purpose is, notwithstanding mischaracterizations or stray comments contained in news stories.

2. Sufficiently Extensive Spending

Complainants also pursue the novel theory that "the enormity of Crossroads GPS's express advocacy expenditure activity establishes Crossroads GPS's 'major purpose' as influencing the 2010 federal elections." This language is derived from *Massachusetts Citizens For Life, Inc. v. FEC*, 479 U.S. 238 (1986). In that case, the Supreme Court noted that "should MCFL's independent spending become *so extensive* that the organization's major purpose may be regarded as campaign activity, the corporation would be classified as a political committee." *Id.* at 262 (emphasis added). See also Supplemental Explanation and Justification on Political Committee Status, 72 Fed. Reg. at 5601. While the *Massachusetts Citizens For Life* Court did not explain the "so extensive" standard (and never has), it is readily apparent that the Court examined the whole of the organization's activities. See *Massachusetts Citizens For Life, Inc.*, 479 U.S. at 242 ("Appellee has engaged in diverse educational and legislative activities designed to further its agenda.").

The Complainants do not explain how they reach the conclusion that Crossroads GPS has satisfied the "so extensive" test, but appear to presume that the test can be met simply by crossing some unspecified numeric threshold.

One recent enforcement decision includes language asserting that "[t]he Commission has consistently applied this standard in past matters." See MUR 5988 (American Future Fund), Factual and Legal Analysis at 6, n.2. We disagree with this characterization. In past matters, the Commission has *cited* the "so extensive" language of *Massachusetts Citizens For Life, Inc.*, and perhaps even claimed to *use* the standard, but it has never *consistently applied* the standard in a way that demonstrates any discernible factors. Three Commissioners appear to agree with this assessment:

Though an organization could theoretically satisfy 'the major purpose' test through independent spending that is 'so extensive' that the organization's major purpose may be regarded as campaign activity, neither Congress, nor the Commission, nor the courts have established any guidance on what constitutes sufficiently extensive spending."

MUR 5694 (Americans for Job Security, Inc.), Statement of Reasons of Vice Chairman Petersen and Commissioners Hunter and McGahn at 16-17.

Two of these Commissioners (Petersen and Hunter) suggested separately that the Commission may lack authority to apply the “so extensive” standard because it has never been explained: “without any ‘bright-line’ rules that are easily understood and followed by those subject to them – contributors, recipients, and organizations – political committee status cannot be imposed on an entity.” MUR 5842 (Economic Freedom Fund), Statement of Reasons of Vice Chairman Petersen and Commissioner Hunter at 24.

The Tenth Circuit Court of Appeals recently determined that the “major purpose” standard cannot be satisfied by simply crossing an arbitrary numeric threshold. The court considered the validity of New Mexico’s “political committee” standard, which provided that “a \$500 a year expenditure for political purposes is sufficient to establish that the organization’s major purpose is political and thus to trigger the requirement that the organization register as a political committee.” *New Mexico Youth Organized v. Herrera*, 611 F.3d 669, 677 (10th Cir. 2010). The court concluded:

here, an organization that spends \$500 on an election-related expense is automatically subject to the reporting requirements and other limitations imposed on a political committee, regardless of what percentage of operating funds that \$500 constitutes or what else the organization spends its resources on. To automatically classify such organizations as political committees contradicts the Supreme Court’s repeated admonition that only organizations that have “the major purpose” of electing or defeating a candidate may be forced to register as political organizations.

Id. at 679.

Assuming for the sake of argument that the “so extensive” standard may be fairly applied in this matter, that standard cannot possibly be satisfied by simply crossing an arbitrary numeric threshold, but rather, must necessarily be based on some proportional comparison of Federal campaign activity to overall organizational activity. *See New Mexico Youth Organized v. Herrera*, 611 F.3d at 678 (describing the second method of determining an organization’s “major purpose” as a “comparison of the organization’s electioneering spending with overall spending to determine whether the preponderance of expenditures is for express advocacy or contributions to candidates”).

By inquiring into an organization’s “major purpose,” it is implied that one is evaluating all of the organization’s various purposes in order to determine if Federal campaign activity is indeed the organization’s “major purpose.” As the Tenth Circuit explained in *New Mexico Youth Organized*, it cannot be the case that if an organization simply spends x amount of dollars on campaign activity, then its “major purpose” is automatically campaign activity.

For example, the *Wall Street Journal* reported that the American Federation of State, County and Municipal Employees (AFSCME) “is now the biggest outside spender of the 2010 elections” and “is spending a total of \$87.5 million on the elections after tapping into a \$16 million emergency account to help fortify the Democrats' hold on Congress.” Brody Mullins and John D. McKinnon, “Campaign’s Big Spender; Public-Employees Union Now Leads All Groups in Independent Election Outlays,” *Wall Street Journal*, Oct. 22, 2010 available at http://online.wsj.com/article/SB10001424052702303339504575566481761790288.html?mod=djemlTP_h. (This figure was raised to \$91 million in an October 26 report in the *New York Times*.¹⁸) Media reports indicate that this figure was virtually the entirety of the union’s total assets.¹⁹

As far as we know, Complainants (as of the date of this filing) have not argued to the FEC that the “enormity” of AFSCME’s election spending, an amount far greater than that of Crossroads GPS in both nominal and percentage terms, means that AFSCME has the “major purpose” of engaging in Federal campaign activity. Complainants’ argument is not rooted in any actual legal authority, is contrary to recent court decisions, and appears to be of value only in filing harassing complaints against those who do not support their far-left agendas. Where the object of the inquiry is “the major purpose” of the organization, the “enormity” of the organization’s political expenditures is meaningful only in relation to its overall activities.

The General Counsel’s Brief issued in MUR 5542 (Texans For Truth) seems to reflect this view. For example, at pages 11-12, the General Counsel:

In its entire existence, TFT has engaged in no activities (other than routine administrative activities and defending itself in this matter) that did not have to do with the presidential election....TFT was not formed until the week of the Republican National Convention and engaged in no activity after the election. It never advocated a candidate in, or even commented on, any other 2004 election, either federal or non-federal, and engaged in no advocacy, advertising, lobbying or any other activity that did not directly relate to the 2004 presidential election.

¹⁸ Steven Greenhouse, “Union Spends \$91 Million on Midterms,” *New York Times*, Oct. 26, 2010, available at <http://thecaucus.blogs.nytimes.com/2010/10/26/union-spends-91-million-on-midterms/>.

¹⁹ Iain Murray and F. Vincent Vernuccio, “The Enemy Within,” *National Review* (Dec. 20, 2010) (“The 1.6-million-member organization spent almost \$90 million — a stunning amount given that the union had only \$97.4 million in assets in 2009. AFSCME was forced to use a \$16 million emergency account and take out a \$2 million loan to pay for its political activities.”) available at <http://www.nationalreview.com/articles/255038/enemy-within-ian-murray>.

While perhaps not fully articulated, it appears that – in MUR 5542 at least – the Commission approached the “so extensive” question not in terms of nominal dollars spent, but in terms of campaign activities *in relation to* other activities. In other matters from the same period, however, the Commission’s methodology is far less clear.

A simple comparison of the amount spent by Crossroads GPS on express advocacy communications (\$15,445,039.50) versus the amount spent on other, non-express advocacy activities (approximately \$23.7 million) in its first 6 months of existence, demonstrates quite clearly that the “major purpose” of Crossroads GPS is *not* Federal campaign activity. Rather, the major purpose of Crossroads GPS is grassroots lobbying, issue advocacy and education of the general public.

V. Conclusion

For the reasons set forth above, we urge the Commission to quickly dismiss this Complaint. Complainant has failed to present any actual evidence of wrongdoing. In fact, despite the length of Complainant’s submission, it does not meet the basic requirements for a Complaint set forth in MUR 4960 (Hillary Clinton) as it rests entirely on “unwarranted legal conclusions,” most of which are a product of Complainants’ fabricated legal standards.

Sincerely,



Thomas J. Josefiak

Michael Bayes

Counsel to Crossroads GPS

Attachments

CROSSROADS GPS TV:30 – “Calendar”

VIDEO	AUDIO
<p>Michael Bennet's Spending Spree</p> <p><u>Michael Bennet</u> Since his appointment: Voted to spend an average \$2.5 billion/ day. U.S. Senate records, <i>thru 8/5/10.</i></p> <p><u>We leaf through a calendar and stop on the following pages, with amount spent.</u> <u>(The calendar does not necessarily reflect what is being spent in the VO copy.)</u></p> <p><u>Graphic/ Calendar:</u> February 13, 2009 Bennet spent \$787 billion H.R. 1, Roll Call Vote #64, 2/13/09</p> <p><u>Graphic/ Calendar:</u> March 10, 2009 Spent \$410 billion H.R. 1105, Roll Call Vote #96, 3/10/09</p> <p><u>Graphic/ Calendar:</u> June 18, 2009 Spent \$106 billion H.R. 2346, Roll Call Vote #210, 6/18/09</p> <p><u>Graphic/ Calendar:</u> August 6, 2009 Spent \$2 billion H.R. 3435, Roll Call Vote #270, 8/6/09</p>	<p>Music <u>Annrc:</u> Michael Bennet's spending spree. Since his appointment, Bennet has voted to spend \$2.5 billion every single day.</p> <p>Spending <u>billions</u> of your tax dollars on everything from the failed stimulus billions in government pork even cash for clunkers.</p>
<p><u>Graphic/ Calendar:</u> December 24, 2009 Vote to increase Debt \$290 Billion H.R. 4314, Vote #397, 12/24/09,</p> <p><u>Graphic/ Calendar:</u> January 28, 2010 Increase Debt <u>again</u> \$1.9 Trillion H.J.Res 45, Vote #14, 1/28/10</p>	<p>And to pay for some of it? ... Bennet voted <u>twice in 35 days</u> to increase the national debt.</p>

1004442001

Graphic/ Calendar:
March 10, 2010
Spent \$34 billion
H.R. 4213, #48, 3/10/10

Spend More

March 17, 2010
Spent \$18 billion
H.R. 2847, Roll Call Vote #55: 3/17/10

Borrow More

May 27, 2010
Spent \$58.8 billion
H.R. 4899, Roll Call Vote #176, 5/27/10

Then raise our taxes.

Bennet's way:
Spend more ... borrow more

... and then raise our taxes.

Michael Bennet's spending spree.

Michael Bennet's spending spree.

SUPER:
Tell Senator Bennet
Stop the Spending
Vote No on S. Amdt. 4594
Call: (866) 455-9866
Paid for by Crossroads GPS
www.CrossroadsGPS.org

Call Senator Bennet.
Stop the Spending.

190444644

GPS TV:30 "Thanks Harry"

Scene	VIDEO	AUDIO
1	SUPER: ObamaCare Bad For Health Care In America Worse for Nevada	ANNOUNCER: ObamaCare is bad for health care in America ...and worse for Nevada.
2	SUPER: Because When Senator Harry Reid Needed Votes	Because, when Senator Harry Reid needed votes to push ObamaCare,
3	SUPER: Senator Harry Reid Cut Deals To Push ObamaCare Cite: cbsnews.com 12/21/09	He cut sweet deals across the country...
4	SUPER: Harry Reid Helped Nebraska	to help Nebraska . . .
5	SUPER: Harry Reid Helped Louisiana.	to help Louisiana . . .
6	SUPER: Harry Reid Helped Florida	to even help Florida.
7	SUPER: What has Nevada Gotten From Senator Reid? Nevada Has The Highest Unemployment Rate In Nation	What has Nevada gotten From Senator Reid? Record foreclosures and the highest unemployment rate in the nation.
8	SUPER: Reid's Pushing More Govt. Control Of Your Healthcare	And Reid's still pushing for even more government control of your health care.
9	Super: Help For Nevada? Tell Harry Reid: Nevada Needs Jobs Not Government-Run HealthCare. Call: 775-882-7343	Really Harry, how about some help for Nevada?
10	PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. WWW.CROSSROADSGPS.ORG	

GPS TV:30 –“Lawsuit”

VIDEO	AUDIO
<p>Graphic: 71% Don't Want Government-Mandated Health Care</p> <p>Health Care shots. We want to make <u>our own</u> health care decisions.</p>	<p>Music Anncr: The message is clear.</p> <p>71% of Missouri voters <u>don't want</u> government-mandated health care.</p> <p>We want to make <u>our own</u> health care decisions.</p>
<p>Carnahan Robin Carnahan disagrees With Missouri voters</p>	<p>But Robin Carnahan disagrees.</p>
<p>St. Louis Post-Dispatch: “Missouri voters rejected a federal mandate to purchase health insurance . . .”</p> <p>Carnahan: Carnahan sided with Lobbyists/ Unions/ Washington</p>	<p>While 71% of <u>us</u> voted NO ...</p> <p>... Carnahan sided with lobbyists, big unions, and Washington insiders to force ObamaCare on us.</p>
<p>Lt. Governor suing the Federal Government</p>	<p>Missouri's Lt. Governor is suing the Federal Government so we can keep <u>our</u> health care.</p>
<p>SUPER: Tell Robin Carnahan – Get in touch with Missourians Support the health care challenge Call (573) 751-4936 <u>www.CrossroadsGPS.org</u> PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES</p>	<p>Tell Carnahan to get in touch with Missourians ... and support the health care challenge.</p>

19044463004

CROSSROADS GPS TV:30 "Debt Clock"

1604743000

VIDEO	AUDIO
<p><u>National Debt Clock</u> Coloradans are in debt to Washington deeply in debt.</p>	<p><u>Music</u> <u>Annrc:</u> Coloradans are in debt to Washington deeply in debt.</p>
<p><u>Big Spender Michael Bennet</u> Spending an average \$2.5 Billion per day. U.S. Senate Records, through 8/5/10</p> <p>[Spent <u>Billions</u> on the <u>failed</u> stimulus:H.R. 1, Roll Call Vote #64, 2/13/09]</p> <p>Stimulus? Research on ants H.R. 1, Roll Call Vote #64, 2/13/09</p> <p>Effects of cocaine on monkeys. H.R. 1, Roll Call Vote #64, 2/13/09</p>	<p>Big spenders, like Michael Bennet, are spending an average \$2.5 billion per day...</p> <p>... wasting <u>billions</u> on pork in the <i>failed</i> stimulus program.</p>
<p>The result</p> <p>... over 100,000 Colorado jobs lost <i>The Denver Post, 07/01/10</i></p> <p>U.S. bankruptcies hit five year high Reuters, 8/17/10</p>	<p>The result?</p> <p>... over 100,000 Colorado jobs lost ...</p> <p>... bankruptcies at a five year high.</p>
<p><u>Debt Clock</u> National debt <i>could break this country</i> <u>\$13,310,379,000,000.00</u> <u>\$44,000 PER CITIZEN...</u> <u>Washington Post, 3/21/09</u></p>	<p>... and our national debt is hitting numbers <i>that could break this country.</i></p>
<p>Bennet: "in my view we have <u>nothing to show for it.</u>" Greeley Gazette, 8/24/10</p>	<p>Now Bennet's admitted, "In my view we have <u>nothing to show for it.</u>" Ya' think?</p>
<p><u>Debt Clock</u> <u>SUPER:</u> Tell Senator Bennet Stop the Spending Spree Vote No on S. Amdt. 4594 Call: (866) 455-9866 PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES WWW.CROSSROADSGPS.ORG</p>	<p>Call. Tell Bennet to stop the spending spree.</p>

GPS TV:30"Bad Sign"

Scene	VIDEO	AUDIO
1	Obama in rearview Sign: "Obamacare: Intrusive Government Mandates!" Wrong way sign, Conway pic Wrong way sign, with 'Conway' dangling.	ObamaCare is the WRONG way for Kentucky. And Jack Conway is going the wrong way too.
2	From car perspective through front window. B-roll shots in rear view mirror. Signs on side of road: ObamaCare: \$525 Billion in Job Killing Taxes Conway face sign, with 'Conway' dangling.	Obamacare means \$525 Billion in job killing taxes
3	Sign on side of road: ObamaCare: Higher Health Insurance Premiums \$2100 per family	It means higher insurance premiums
4	ObamaCare: \$500 billion cut from Medicare Wrong Way sign	\$500 billion cut from Medicare
5	Another sign, senior in rearview mirror Sign: ObamaCare: Cutting 113,000 Kentucky Seniors' Medicare Benefits Wrong Way sign	Reduced Benefits for 113,000 Kentucky seniors
6	Sign: ObamaCare: Intrusive Government Mandates! Conway face sign, with 'Conway' dangling.	And intrusive big government mandates.
7	Car stops for end signs. Super: Tell Jack Conway Fight the Insurance Mandate Fight ObamaCare Call: 502-696-5300	It's the wrong way, Conway.
8	CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

1004443000

GPS TV: "Thanks a Lot"

TV :30

Scene	VIDEO	AUDIO
1	Capitol/Money SUPER: Harry Reid's \$814 Billion "Stimulus"	ANNOUNCER: With spending already out of control, Harry Reid spearheaded the stimulus-spending bill.
3	b-roll stock shots of Ants SUPER: \$1.9 million To California.	Harry's stimulus sent nearly \$2 million to California to collect ants in Africa. (SFX: Ants marching)
4	b-roll stock chairlifts, snow-making. SUPER: Over \$25 Million to Vermont.	\$25 million for new chairlifts and snowmaking in Vermont. (SFX: Snow making)
5	b-roll stock shot of Venus. SUPER: \$300,000 to Texas.	Almost \$300K to Texas to study weather on Venus. (SFX: rain and thunder)
6	NV unemployment/foreclosure shot SUPER: Nevada - Highest Unemployment Record Foreclosures	Meanwhile, back in Nevada, we still have the highest unemployment and record foreclosures.
7	Super: Tell Senator Reid: Nevada Needs Jobs – Not More Spending Vote No on S. Amdt. 4594 Call: 775-882-7343 CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Really Harry, how about some help for Nevada? Crossroads GPS is responsible for the content of this advertising.

Crossroads GPS TV30 – “Baby”

VIDEO	AUDIO
<p><u>A newborn baby in a hospital Neo-natal section</u></p> <p><u>Nurse and Baby</u></p> <p><u>Mom and child at doctors</u></p>	<p><u>Music</u> <u>Anncr:</u> She begins her life in the care of others. But what kind of care <i>will be there</i> ... in her <u>future</u>.</p> <p>Missourians want to make their <u>own</u> health care decisions.</p>
<p><u>Carnahan</u> Robin Carnahan disagrees</p>	<p>But Robin Carnahan disagrees.</p>
<p><u>Carnahan and Obama</u> Carnahan Supports Obamacare</p> <p><u>Family</u> Could raise insurance premiums \$2100.</p> <p><u>Seniors</u> Cuts \$500 billion from Medicare</p>	<p>She supports the ObamaCare law... ... and could raise our health insurance premlums.</p> <p>... that cuts billions from Medicare ...</p>
<p><u>Lawsuit:</u> Lt. Governor suing the Federal Government</p> <p><u>Baby, reprise.</u></p>	<p>Now, our Lt. Governor <i>is suing</i> ...</p> <p>... so her health care <i>will be there</i>.</p>
<p><u>SUPER:</u> Tell Robin Carnahan - Start fighting for Missouri Support the Lieutenant Governor's challenge. Call:(573) 751-4936</p> <p>CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</p>	<p>Tell Carnahan: Start fighting for Missouri, Fight against Obamacare.</p> <p>Crossroads GPS is responsible for the content of this advertising.</p>

1007410601

Crossroad GPS
TV:30 "What"

VIDEO	AUDIO
<p>Video: Sad family Super: 592,349 Pennsylvanians unemployed Source: Bureau of Labor Statistics.</p>	<p>VO: Over half a million Pennsylvanians unemployed... And what's Congressman Joe Sestak done?</p>
<p>Super: Sestak Voted to cut Medicare \$500 billion Source: HR3950, CQ RC Vote 165, March 21, 2010</p>	<p>He voted to gut Medicare....</p>
<p>Super: Reducing benefits for 854,489 seniors Source: Henry J Kaiser Foundation</p>	<p>Slashing benefits for Pennsylvania seniors.</p>
<p>Super: Sestak... "could jeopardize access to care for millions..." Source: Washington Post, 11/15/09</p>	<p>And the Obama-Sestak scheme..."could jeopardize access to care for millions...."</p>
<p>Super: Sestak raised taxes \$525 billion.... Devastating small businesses... killing jobs Source: Congressional Budget Office, 4/12/10</p>	<p>Sestak even voted to raise taxes over five hundred billion dollars, ...devastating Pennsylvania small businesses... killing jobs</p>
<p>Super: Gutting Medicare. Hurting Seniors. Killing jobs.</p>	<p>Gutting Medicare. Hurting seniors. Killing jobs....</p>
<p>Super: Pennsylvania can't afford Joe Sestak.</p>	<p>Pennsylvania can't afford Joe Sestak</p>
<p>Super: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</p>	<p>Crossroads GPS is responsible for the content of this advertising.</p>

10044444001

Crossroads GPS TV30 - "Review"

VIDEO	AUDIO
<p><u>Hollywood premiere with searchlights</u> <u>Movie Poster of Carnahan</u> Super: New ads, by (signature signs on) Robin Carnahan</p>	<p><u>Music</u> <u>Anncr:</u> <u>New ads</u> by Robin Carnahan.</p>
<p><u>Hollywood Movie Marquee</u> <u>Carnahan's photo on the marquee</u> Negative Ads Robin Carnahan 'SUPERS "... false ..." "... phony..." "... misleading..."</p>	<p>The reviews are in false phony... ... misleading ...</p>
<p>Movie Poster: Robin Carnahan 30 Seconds of Smear An Obama/Pelosi Production</p>	<p>Robin Carnahan ... co-starring in an Obama/Pelosi production</p>
<p><u>Trophy: Best Fiction</u> Winner: "Best Fiction" for saying her opponent received the most from lobbyists ... "... not true ..." News-Leader</p>	<p>Winner: "Best Fiction" for saying her opponent received the most from lobbyists ... but "<u>not true</u>".</p>
<p><u>The Star Newspaper:</u> Robin Carnahan "should know better". -Kansas City Star</p>	<p>The Star says, Carnahan "should know better".</p>
<p><u>SUPER:</u> Too dishonest. Too Liberal. Two thumbs down. (over disclaimer) Say NO to Robin Carnahan. <small>CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</small></p>	<p>Robin Carnahan: Too dishonest. Too liberal. Two thumbs down. Crossroads GPS is responsible for the content of this advertising.</p>

100444644

Crossroads GPS

"Can't Afford Patty"

1 X :30 TV

VIDEO	AUDIO
Back of woman's head in radio station talking into microphone (re-creation) Graphic: Patty Murray, September, 1992 Graphic: KUOW Radio Debate Graphic - Audio text highlighted	WOMAN V/O "A 4 trillion dollar debt, 9 million people out of jobs . . ."
Graphic: Patty Murray 1992 Graphic: \$4 Trillion Nat'l Debt. Graphic: 9 Million Unemployed.	ANNCR: When Patty Murray first ran for senate, she promised to tackle big problems.
Graphic - Audio text highlighted	"We have a federal government that has failed to deal with these problems."
Graphics: Years tick by 18 years of Patty Murray What's Changed?	ANNCR: So, what difference has Patty Murray made after 18 years in Washington, DC?
Patty continues rising on \$\$ \$14 Trillion National Debt Higher Unemployment Tax Increases	She's increased our national debt by trillions And now she wants to raise taxes to help pay for it.
Money pushes her off the screen Graphic: We Can't Afford 6 More Years of Patty Murray	We just can't afford six more years of Patty Murray.
CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

1004410001

**Crossroads GPS
:30 TV "Add Up"**

VIDEO	AUDIO
<p>Video: Image of Sestak next to a large calculator... Super: Joe Sestak's Reckless Spending Adds Up.</p> <p>Video: Calculator adds up the spending Super: Joe Sestak... 102 earmarks... \$104 million.</p> <p>Automakers, \$14 Billion Wall Street, \$700 Billion</p> <p>Super: Sestak voted for the failed stimulus... \$814 Billion</p> <p>Super: Sestak voted for massive healthcare takeover \$1 Trillion</p> <p>Video: Calculator breaks Super: Joe Sestak... trillions wasted</p> <p>Super: Sestak increase national debt limit... 4 times</p> <p>Super: Joe Sestak... reckless spending... higher debt...killing jobs. Wrong for Pennsylvania</p>	<p>VO: With Joe Sestak... the reckless spending adds up fast.</p> <p>There's Sestak's earmarks... over a hundred in just 3 years...</p> <p>Sestak backed bailouts for automakers and banks...</p> <p>And Sestak voted for Pelosi's failed stimulus...</p> <p>And Obama's massive healthcare takeover...</p> <p>Trillions of dollars wasted...</p> <p>While Sestak voted repeatedly to increase the national debt limit...adding trillions of dollars</p> <p>Joe Sestak... reckless spending... higher debt... killing jobs...wrong for Pennsylvania.</p>
<p>CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</p>	<p>Crossroads GPS is responsible for the content of this advertising.</p>

160474630-16

Crossroads GPS

TV:30 "You Gussed It"

Scene	VIDEO	AUDIO
1	Photo album rotates onto screen. Jack Conway OC SUPER: Jack CON-Way	Jack CON-Way sure lives up to his name.
2	SUPER: "I've represented those who can't stand up for themselves."	JACK OC: "I've represented those who can't stand up for themselves."
3	SUPER: CONWay's job to represent the people Shots of water faucet, gas stove, lamp.	Yet it's CON-way's job to represent the people in negotiating utility rates,
4	SUPER: Utility Rates Up \$175 Million sub head: On Kentucky Families.	But under CON-way's watch, rates have gone up millions on Kentucky families.
5	Turn page to shot of Conway. SUPER: Conway Receives Stock Distributions. 2009: \$157,500, 2010: \$106,000 Total: \$263,500	While Jack CON-Way PERSONALLY received huge stock distributions from... you guessed it, a utility company.
6	SUPER: CONway Helps Himself. SUPER: Kentucky Families Pay	Politicians helping themselves, sticking us with the bill. That's the Jack CON-Way.
7	CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

10004442001

Crossroads GPS

:30 TV

"Claim"

VIDEO	AUDIO
<p>Video: Shredder and TV Super: Alexi Giannoulias Bright Start</p>	<p>VO: It's Alexi Giannoulias' claim to fame... the Bright Start college savings fund.</p>
<p>Video: Alexi's ad plays</p>	<p>AG: "We're helping parents and grandparents put money away for their kids to go to college."</p>
<p>Super: "...bad investment choices...leading to outsized losses" Source: Chicago Sun Times, 1/14/09</p>	<p>VO: But Illinois families LOST money with Giannoulias in charge...</p>
<p>Super: "Parents Suffered A Total Loss Of Around \$150 Million" Crain's Chicago Business, 12/22/09</p>	<p>Millions of dollars saved up for kids to go to college... gone...</p>
<p>Video: Child getting a diploma... then picture shredded. Super: Parents trusted Alexi... Alexi let them down.</p>	<p>Parents trusted Alexi... and Alexi let them down.</p>
<p>Super: Broken promises... financial neglect... a dishonest campaign...</p>	<p>Broken promises... financial neglect... a dishonest campaign...</p>
<p>Super: Illinois' can't afford any more Alexi. SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</p>	<p>Illinois' can't afford any more Alexi. Crossroads GPS is responsible for the content of this advertising.</p>

1604140018

Crossroads GPS

TV 30:

Title: "Choice"

Video

VIDEO: Pictures of Rubio and Crist
CG: The choice is clear

VIDEO: Pic of Rubio
CG: Rubio Stood up for taxpayers
CG: Opposed Obama's Stimulus

VIDEO: Hug Photo
CG: Crist Embraced Obama
CG: And Failed Stimulus

VIDEO: Pic of Rubio
CG: Rubio Opposed ObamaCare
CG: Opposed Medicare cuts

VIDEO: Pic of Crist
CG: Crist flip flopped

VIDEO: Pic of Rubio
CG: Rubio NO to Obama's job-killing energy tax

VIDEO: Pic of Crist
CG: Crist SUPPORTS Obama's job-killing energy tax

VIDEO: Pic of Rubio
CG: A check on Obama's Agenda

CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE.
WWW.CROSSROADSGPS.ORG

Audio

The choice is clear.

Marco Rubio stood up for taxpayers by saying no to the failed Obama "stimulus".

Charlie Crist embraced it.

Marco Rubio opposed ObamaCare with its \$500 billion Medicare cuts.

Charlie Crist...has flip-flopped

Marco Rubio says no to Obama's job-killing cap-and-trade energy tax.

But Crist was pushing it even before Obama was elected.

Florida needs a strong leader to put a check on Obama's agenda. That's Marco Rubio.

Crossroads GPS is responsible for the content of this advertising.

100044000-10

Crossroads GPS

"Problem With Patty"

1 X :30 TV

VIDEO	AUDIO
Strong	Strong "We sent Patty Murray to DC . . ."
Davis	Davis almost 20 years ago."
Herrington	Herrington "That's plenty for Patty Murray"
McCaughy	McCaughy "We trusted her to fix things."
Bergstrom	Bergstrom "Heck, Patty's become part of the problem"
Corl	Corl "The debt that Patty has supported is going to effect our children for generations."
Burk	Burk "Her bailouts have done nothing"
Admunson	Admunson "For heaven's sake, she supported Obamacare"
The Nelsons	The Nelsons "And that threatens our lives"
Davis	Davis "She's been there too long"
Bergstrom	Bergstrom "We can't afford . . ."
Raymond	Raymond . . . six more years . . ."
Corl	Corl of Patty Murray."
Patty Illustration over disclaimer.	
CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

1904740901

Crossroads GPS

TV:30 "Story"

Scene	VIDEO	AUDIO
1	Tired, old looking Harry. Spot roams over the Review Journal article.	Harry Reid... "champion of liberal special interests inside the beltway."
2	Pulls out the quotes as they are said. Supports with inset images.	"...disconnected from Nevada and its residents."
3		"...The Obama playbook – to which Sen. Reid hitched his fortunes -- has failed miserably."
4		"...a vote for Harry Reid is a vote for the status quo in Washington."
5		"More of the same big spending."
6		"More of the same disdain for the job-creating private sector."
7	Harry Reid: Extremely Out Of Touch With Nevada	Nevada just can't afford more of the same old Harry Reid
8	CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising."

10006744001

Crossroads GPS

TV:30 "Enough"

Scene	VIDEO	AUDIO
1	Start of negative ad: Dark music, dark shots of Harry Reid and Capitol. Over the top political ad feel. Graphics: 27 years.	BOB: (very ANNOUNCER-ly): Senator Harry Reid, for 27 years, he's...(SFX: Screech.)
2	Scene freezes. No supers. Just frozen. Cracks, rips open.	Wait a minute.
2	Bob North on camera	Are you tired of all these negative political ads?
3	Bob takes off headset. Pull back and pan left. Putting Bob screen right with left side of screen for supers over foam wall. Scene continues.	(tone turns much more conversational): Ok, how about just the facts?
4	SUPERS (on screen left): Harry Reid's Nevada. (Rest of supers come on as announcer says then one at a time: <ul style="list-style-type: none"> - Highest unemployment - Highest foreclosure rate - ObamaCare - More national debt - Wall Street Bailout 	Nevada has the highest unemployment in the country. The highest foreclosure rate. Instead of fixing these problems, Harry Reid's made it worse pushing ObamaCare, more national debt, the Wall Street Bailout. Pretty simple.
5	Bob puts back on headphones	With that record, that's really all you need to know.
6	SUPER: NO on Harry Reid	Crossroads GPS is responsible for the content of this advertising.
7	CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	

UNRECORDED

Crossroads GPS

"Patty's Promises"

1 X :30 TV

VIDEO	AUDIO
Patty Murray from 1992 debate	Patty Murray from 1992 debate I will fight on the floor of the US Senate to put in place a long-term budget deficit reduction plan...
Mandy Raymond	Mandy Raymond I wouldn't let Patty balance my checkbook.
Patty from 1992	Patty from 1992 ...we can assure our future generations that there will be jobs.
Jenna Davis	Jenna Davis My brother's unemployed, my friends are losing their homes, and I'm sick of it.
Glenn Avery	Glenn Avery Patty is burying small business under an avalanche of taxes and regulation.
Katie Corl	Katie Corl I think she's been there too long.
Senior Couple	Senior Couple Let's retire Patty Murray
CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising

1004444001

Crossroads GPS
:30 TV
"Known"

VIDEO	AUDIO
<p>Super: Meet the Press, 10/10/10 Super: Alexi Giannoulias</p>	<p>DG: "Did you know that they were crime figures that your Bank was loaning money to?"</p>
<p>Video: MTP, 25:40 http://www.msnbc.msn.com/id/39580664/ns/meet_the_press-transcripts</p>	<p>AG: "As I've said, I, we didn't know the extent of that activity"</p>
<p>Super: Alexi's "damning non-denial about loans to criminals" Source: Chicago Tribune, 10/11/10</p>	<p>A "damning non-denial about loans to criminals."</p>
<p>"felons connected to organized crime." - Source: Chicago Tribune, 10/11/10</p>	<p>Felons and mob figures. <i>[echo "I didn't know the extent..."]</i></p>
<p>"Giannoulias' explanation of bank hours changes...again" WLS - AM, October 7, 2010</p>	<p>Spinning different stories about his fishy tax dodge. <i>[echo "I have been consistent..."]</i></p>
<p>Super: "Parents Suffered A Total Loss Of Around \$150 Million" Source: Crain's Chicago Business, December 22, 2009</p>	<p>And squandering money Illinois families saved for college.</p>
<p>Alexi Giannoulias can't be trusted.</p>	<p>His excuses change, but the facts don't</p>
<p>Alexi Giannoulias can't be trusted.</p>	<p>Alexi Giannoulias can't be trusted.</p>
<p>SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG</p>	<p>Crossroads GPS is responsible for the content of this advertising.</p>

10/11/10

**Crossroads GPS
:30 TV "Boondoggle"**

10044101010

VIDEO	AUDIO
Super: 277,604 Missourians unemployed	VO: Missouri's economy is reeling...
Super: Russ Carnahan making it worse	And Congressman Russ Carnahan is making it worse.
Super: Carnahan supported Nancy Pelosi's failed agenda	While he should be helping us... He's supporting Nancy Pelosi and her failed agenda....
Super: Voted for billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814. 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals and handouts for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt... helping Pelosi, not us...
Super: Russ Carnahan... wrong for Missouri	Russ Carnahan ... wrong for Missouri
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 315,655 Indianans unemployed	VO: Indiana's economy is reeling...
Super: Joe Donnelly making it worse	And Congressman Joe Donnelly is making it worse.
Super: Donnelly supported Nancy Pelosi's failed agenda	While he should be helping us... He's supporting Nancy Pelosi and her failed agenda....
Super: Voted for billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals and handouts for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt... helping Pelosi, not us...
Super: Joe Donnelly... wrong for Indiana	Joe Donnelly ... wrong for Indiana
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

11/01/2011 11:00:00 AM

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 13,714 North Dakotans unemployed	VO: North Dakota's economy is reeling...
Super: Earl Pomeroy making it worse	And Congressman Earl Pomeroy is making it worse.
Super: Pomeroy supported Nancy Pelosi's failed agenda	While he should be helping us...
Super: Voted for billions in reckless spending	He's supporting Nancy Pelosi and her failed agenda....
Super: Voted for Pelosi's \$814 'stimulus'	Voting for billions in new debt and reckless spending.
Super: Sweetheart deals and handouts for special interests	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Filled with sweetheart deals and handouts to special interests
Super: Earl Pomeroy... wrong for North Dakota	Reckless spending... massive debt... helping Pelosi, not us...
Super: Earl Pomeroy... wrong for North Dakota	Earl Pomeroy ... wrong for North Dakota
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

100474442001

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 287,861 Tennesseans unemployed	VO: Tennessee's economy is reeling...
Super: Lincoln Davis making it worse	And Congressman Lincoln Davis is making it worse.
Super: Davis supported Nancy Pelosi's failed agenda	While he should be helping us... He's supporting Nancy Pelosi and her failed agenda....
Super: Voted for billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals and handouts for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt.... helping Pelosi, not us...
Super: Lincoln Davis... wrong for Tennessee	Lincoln Davis ... wrong for Tennessee
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

1004440001

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 590,809 Ohioans unemployed	VO: Ohio's economy is reeling...
Super: John Bocchieri making it worse	And Congressman John Bocchieri is making it worse. While he should be helping us...
Super: Bocchieri supported Nancy Pelosi's failed agenda	He's supporting Nancy Pelosi and her failed agenda....
Super: Voted for billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals and handouts for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt... helping Pelosi, not us...
Super: John Bocchieri... wrong for Ohio	John Bocchieri ... wrong for Ohio
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

1604763004

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 987,151 Texans unemployed	VO: Our economy is reeling...
Super: Ciro Rodriguez making it worse	And Congressman Ciro Rodriguez is making it worse.
	While he should be helping us...
Super: Rodriguez supported Nancy Pelosi's failed agenda	He's supporting Nancy Pelosi and her failed agenda....
Super: Voted for billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals and handouts for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt... helping Pelosi, not us...
Super: Ciro Rodriguez... wrong for Texas	Ciro Rodriguez ... wrong for Texas
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. WWW.CROSSROADSGPS.ORG	Crossroads GPS is responsible for the content of this advertising.

1004746001

**Crossroads GPS
:30 TV "Boondoggle"**

VIDEO	AUDIO
Super: 207,715 Minnesotans unemployed	VO: Minnesota's economy is reeling...
Super: Jim Oberstar making it worse	And Congressman Jim Oberstar is making it worse.
	While he should be helping us...
Super: Oberstar supported Nancy Pelosi's failed agenda	He's supporting Nancy Pelosi and her failed agenda....
Super: For billions in reckless spending	Voting for billions in new debt and reckless spending.
Super: Voted for Pelosi's \$814 billion 'stimulus'	Including Pelosi's eight hundred billion dollar stimulus boondoggle
Super: Sweetheart deals for special interests	Filled with sweetheart deals and handouts to special interests
Super: Reckless spending... massive debt... helping Pelosi, NOT us	Reckless spending... massive debt... helping Pelosi, not us...
Super: Jim Oberstar... wrong for Minnesota	Jim Oberstar ... wrong for Minnesota
SUPER: CROSSROADS GRASSROOTS POLICY STRATEGIES (CROSSROADS GPS) IS RESPONSIBLE FOR THE CONTENT OF THIS ADVERTISING. PAID FOR BY CROSSROADS GRASSROOTS POLICY STRATEGIES. NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE. <u>WWW.CROSSROADSGPS.ORG</u>	Crossroads GPS is responsible for the content of this advertising.

1-800-444-4444

**Crossroads GPS
:60 Radio
"Deal"**

Annc: She's baccckckkkkk.

Nancy Pelosi's at it again...

Trying to raise taxes while our economy struggles...

On New Year's Day, taxes skyrocket for everyone unless Congress acts. Even low-income families will see their tax rates increase by 50 percent.

But Nancy Pelosi is blocking the bipartisan plan to stop these tax hikes.

Her reckless ploy could bring back the marriage penalty tax, and hike the death tax on family businesses, farms and savings.

And whose side is Congressman XX on? Will he (she) side with Nancy Pelosi to raise job-killing taxes, or with struggling families and small businesses that can create the jobs we need?

After two years of bailouts and wasteful spending, enough is enough.

Call Congressman XX at xxx -xxx -xxxx... Tell him (her) to stand up to Pelosi and demand a vote. It's time to cut spending, NOT raise taxes.

This moment of common sense is sponsored by Crossroads Grassroots Policy Strategies.

Representative	DC Phone
Gabriella Giffords	202-225-2542
Jim Costa	202-225-3341
Sanford Bishop	202-225-3631
Joe Donnelly	202-225-3915
Ben Chandler	202-225-4706
Gary Peters	202-225-5802
Heath Shuler	202-225-6401
Tim Bishop	202-225-3826
Maurice Hinchey	202-225-6335
Bill Owens	202-225-4611
Jason Altmire	202-225-2565
Gerry Connolly	202-225-1492

JUST WHEN YOU THOUGHT IT WAS SAFE TO CREATE JOBS...



AMERICA'S ECONOMY CAN'T SURVIVE A TAX ATTACK.

Fifteen million Americans unemployed. So what do some in Congress want to do? Raise taxes aimed squarely at the small businesses and entrepreneurs with the know-how to create the jobs we need.

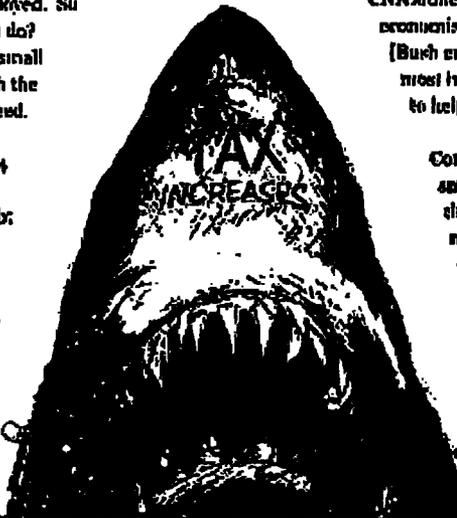
Congress already squandered \$814 billion on the failed "stimulus" scheme, driving us deeper into debt while 1.3 million more Americans lost jobs. So what's the sequel to this box-office bomb? Impose job-killing tax increases to pay for Congress's expensive economic mistakes.

We've seen this movie before, and the ending doesn't get any better.

In a recent survey conducted by CNNMoney.com, a majority of leading economists agreed that "extending the [Bush era] tax cuts for all taxpayers is the most important thing Congress can do to help the economy."

Congress needs to give America's small businesses and entrepreneurs the certainty and security they need to start creating jobs again - not double-down on a failed economic strategy.

Raising taxes during a jobs crisis? Two thumbs down.



FIGHT FOR AMERICAN JOBS. STOP THE TAX ATTACK.
Support S. 3773, the Tax Hike Prevention Act.

Paid for by Crossroads GPS, 1100 14th St NW, Suite 500, Washington, DC 20004

Crossroads **GPS**
www.crossroadsgps.org

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October 10, 2011

Mark Shonkwiler
Assistant General Counsel for Enforcement
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: MUR 6396 (Crossroads Grassroots Policy Strategies)

Dear Mr. Shonkwiler,

The following response is submitted by the undersigned counsel on behalf of Crossroads Grassroots Policy Strategies (Crossroads GPS), in response to your correspondence of September 28, 2011, offering us the opportunity to supplement our prior responses in light of the Office of General Counsel's consideration of various news articles.

As we have explained and demonstrated in our prior responses, Crossroads GPS is not a "political committee" under the Federal Election Campaign Act, as amended, and as interpreted by the courts and the FEC over the years. We have presented irrefutable evidence that the major purpose of Crossroads GPS is not federal campaign activity, as those terms are currently understood and measured. For the FEC to find otherwise would require a change in the applicable law.

Generally speaking, the media is neither aware of nor particularly concerned with the subtleties of campaign finance regulation. All too often, their sources for story ideas and angles appear to come from the so-called "reform" lobby. The views of these small, unrepresentative interest groups tend to go unchallenged and dominate media coverage of campaign finance matters.

As we noted in our Initial Response, "the only way to determine the 'major purpose' of an organization is by reviewing the organization's activities in terms of 'express advocacy' and 'issue advocacy.' Other factors, such as officer and director statements and other public

statements are peripheral to the inquiry.” Response of Crossroads Grassroots Policy Strategies in MUR 6396 at 3 (Dec. 22, 2010). The media’s characterizations of the activities of Crossroads GPS are completely irrelevant to this inquiry, should generally be treated as unreliable, and should carry no legal weight whatsoever.

As we noted in our first response, the Complainants did not present evidence that justified their ultimate legal conclusion. We fully responded to the materials included in the Complaint and sought dismissal of the Complaint. Complainants did not meet their burden of presenting facts that demonstrated that there is reason to believe a violation occurred. Nevertheless, the Office of General Counsel (OGC) conducted a broad investigation into our client’s activities prior to the Commission making a formal reason to believe determination. Section 437g(a)(2) indicates that the Commission shall make a reason to believe finding, notify the respondent of that finding, and then “shall make an investigation of such alleged violation, which may include a field investigation or audit, in accordance with the provisions of this section.” *See also* 11 C.F.R. § 111.10(a) (“An investigation shall be conducted in any case in which the Commission finds reason to believe that a violation of a statute or regulation over which the Commission has jurisdiction has occurred or is about to occur.”). In this matter, however, it is apparent that OGC has already conducted a significant investigation. Your correspondence of September 29 references 18 sources, all but a few of which were not contained in either the complaint or our prior responses. The index you provided also indicates that these articles have already been included in the First General Counsel’s Report, which suggests that OGC has already prepared a reason to believe recommendation for the Commissioners, based in part on materials uncovered in an investigation that is not supposed to occur until after the Commission has made a reason to believe finding.

Nevertheless, we appreciate the opportunity to review these materials and respond to them in writing before the Commission votes on OGC’s recommendation.

Materials Discovered by the Office of General Counsel During Its Premature Investigation

1. *Crossroads hauls in \$8.5M in June, Politico, June 30, 2010.*

This article, unlike many others, actually recognizes that Crossroads GPS and American Crossroads have very different missions. As Steven Law states in the article, Crossroads GPS was created for “doing very legislatively focused issue advocacy activity” and “building out a very substantial grassroots activist network that we plan to organize both around issues and geographically, that we can deploy along with our advertising strategy.” And as the author writes, “GPS will focus its issue campaigns on the implementation of the Democratic healthcare overhaul and stimulus package, as well as the national deficit and debt.”

Mr. Law's statement regarding donor disclosure is irrelevant to the legal analysis of "political committee" status. The article demonstrates quite clearly that Crossroads GPS was created to undertake activities that are quite properly undertaken by Section 501(c)(4) entities, and for which no donor disclosure is legally required.

2. Internal Revenue Service, *Exempt Organizations – Contributors' Identities Not Subject to Disclosure.*

This webpage restates a portion of current tax law that applies to various Section 501(c) and 527 organizations. It has no bearing whatsoever on the issue of whether Crossroads GPS is a "political committee" under the Federal Election Campaign Act.

3. Crossroads GPS, *Crossroads GPS and American Crossroads pledge \$120 million for 2012 effort.*

4. American Crossroads, *American Crossroads and Crossroads GPS pledge \$120 million for 2012 election.*

These blurbs were most likely posted to the websites of American Crossroads and Crossroads GPS on March 1, 2011. (Both link to Article #17 on OGC's Index.) They simply refer to the linked story, and should not be read as either organization's own characterization of activities. As discussed below, the article contains serious mischaracterizations that are not supported by any quoted material from representatives of either American Crossroads or Crossroads GPS.

5. *Lax Internal Revenue Service rules help groups shield campaign donor identities, Washington Post, March 9, 2011.*

If it is not plainly obvious, this story was spoon-fed to the writers by Citizens for Responsibility and Ethics in Washington (CREW), and is nothing more than an example of the outsized role that left-wing interest groups have in establishing the "narrative" of campaign financing reporting.

As the article notes, Crossroads GPS filed a Form 1024 application with the Internal Revenue Service (IRS) in September 2010, but the IRS has not yet responded to that application. As of the date of this response, the only communication that Crossroads GPS has received from the IRS in connection with its Form 1024 application is a notification of receipt. Crossroads GPS has no control over the internal procedures of the IRS, and as spokesman Jonathan Collegio stated for this article, "reading anything into it beyond a typical procedural issue is irresponsible."

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A Form 1024 application is a voluntary filing – a Section 501(c)(4) organization is not legally required to obtain IRS recognition of its tax status. CREW has sought to use this issue to smear Crossroads GPS as somehow less than legitimate, and succeeded in planting its story with *Washington Post* reporters. There is, however, no legal significance to anything in this article.

6. *GOP Sees Flaws in Tea Party Candidates*, Roll Call, Nov. 3, 2010.

15. *Outside Groups on the Right Flexed Muscles*, New York Times, November 3, 2010.

These articles selectively quote statements made by Carl Forti to reporters during a post-election day review. The discussion with reporters was focused on the previous night's election results, and Mr. Forti spoke directly about American Crossroads' efforts, as well as the independent expenditure activity undertaken by Crossroads GPS. None of the material attributed to Mr. Forti in either article has any bearing on the legal questions at issue in this matter. Moreover, the media's tendency to lump American Crossroads and Crossroads GPS together and emphasize only their political activity also is of no relevance to the legal question of whether Crossroads GPS satisfies the legal definition of a "political committee."

7. *Is Michael Steele Ready To Move On?*, National Public Radio, Dec. 13, 2010.

The author misreports the role of Mike Duncan in this piece. Mr. Duncan is the Chairman of the Board of Directors of American Crossroads. He is neither an officer nor a director of Crossroads GPS. American Crossroads and Crossroads GPS have no overlap in their respective Boards.

The author's characterization of American Crossroads and Crossroads GPS as "two outside money groups that acted as a sort of surrogate RNC" is strictly his opinion, and is in no way the opinion of a qualified legal expert. This comment is simply "analysis" masquerading as straight news.

8. *RNC weighs outsourcing list*, Politico, May 17, 2011.

This article reveals a proposal that was reportedly discussed several months ago. Crossroads GPS has not taken over the RNC's voter list operation. The article correctly notes that Crossroads GPS has taken steps to build its *own* list: "the group indicated it would spend \$5 million on 'list acquisition and enhancement' and planned to 'build the highest-quality national list of center-right advocates and sympathetic (voters) possible.'" The insertion of "(voters)" was done by the authors of the articles. "Supporters" would have been a more accurate editing choice, especially considering that the purpose of the list is explained in the second half of the same sentence: "then engage that community intensively with policy information and advocacy requests."

As the article states, Crossroads GPS entered into a list exchange agreement with the Republican National Committee. The longstanding position of the FEC is that such list exchange agreements are entirely permissible. *See, e.g.*, Advisory Opinion 2002-14 (Libertarian National Committee) (“Likewise, the LNC may exchange its mailing lists or portions of its mailing lists of equal value with any outside organization, including political committees under the Act, Section 527 organizations (including state and local campaign, PAC, and party organizations), 501(c)(3) and (c)(4) groups, non-profit and for-profit corporations, and labor organizations, provided that the lists or the portions of the lists that are exchanged are of equal value.”). The Commission has never previously suggested that the identity of an organization’s list exchange partner had any relevance in a “political committee” inquiry.

9. ***Rove-linked group uses secret donors to fund attacks, Politico, July 20, 2010.***

This article was referenced in the Complaint, at Paragraph 33. We responded to the specific allegations made in the Complaint in our Initial Response:

At Paragraph 33 of the Complaint, Complainants cite a *Politico* story reporting “Crossroads GPS micro-targeting effort” was “focused on seven states - Colorado, Florida, Missouri, New Hampshire, Nevada, Ohio and Washington.” Crossroads GPS engaged in micro-targeting efforts in these and other states. While Complainants appear to presume that “micro-targeting” is some sort of campaign tactic, it is simply research to identify distinguishing characteristics of people concerned about particular issues. “Micro-targeting” is performed by all manner of advocacy and commercial marketing organizations, and its purpose is to aid in more efficient and effective communications. Crossroads GPS’s “micro-targeting” efforts tested its “7 in ‘11” National Action Plan.

Response of Crossroads Grassroots Policy Strategies in MUR 6396 at 17 (Dec. 22, 2010).

While the above portion of the article might be confusing to people who presume that “microtargeting” is a strictly political tactic, the article also contains willful misreporting. The author’s claim that “American Crossroads GPS [sic] has been telling donors their contributions would be used to dig up direct on Congressional Democrats’ ‘expenses account abuses’” is an intentional mischaracterization of a draft, so-called “concept paper.” (This article does not claim any potential donors as sources, so any assertions of what donors were told by Crossroads GPS, apart from what is contained in the draft “concept paper,” is pure speculation on the author’s part.) In fact, the “concept paper” indicates that Crossroads GPS intended to conduct “in-depth research on congressional expense account abuses” and pursuing “fiduciary-quality standards for Congress” as part of a “Reforming Congress” initiative. Such efforts are traditional “watchdog” activities and a far cry from conducting partisan opposition research. We also note

that the article was corrected (“clarified,” in Politico’s terms) to include the following statement from Mr. Collegio: “Crossroads GPS does not invest in opposition research.”

In addition, the “concept paper” absolutely *does not* say that Crossroads GPS will “blame Democrats for ‘failed border controls,’ as the author asserts. The paper simply referred to “failed border controls” as a “timely issue.”

As Steven Law states in this article, “The genesis of [Crossroads GPS] from our perspective was that there are a number of things that are priorities for us that seemed to fit more into a 501(c)(4) than a 527, such as doing very legislatively focused issue advocacy activity which we will be undertaking in the next few months.” (Note: this quote first appeared in a June 30, 2010, article by the same author, and is included as Article #1 in OGC’s index.)

10. *The New GOP Money Stampede*, Time, Sept. 16, 2010.

In this piece, the author simply conflates Fred Wertheimer’s hyperbolic spin with fact. He quotes Wertheimer saying that Crossroads GPS “is a complete joke. Karl Rove and Gillespie did not create this organization to influence issues in America. The organization was created to elect Republicans and defeat Democrats.” Just above this quote, the author “reports” that “[o]stensibly, that means that a group like Crossroads GPS conducts what it calls ‘hard-hitting issue advocacy.’ In practice, that means thinly veiled ads on behalf of Republican candidates, like an ad bashing Democratic Kentucky Senate nominee Jack Conway’s support for Obama’s health care reform, which ends with the memorable kicker, ‘It’s the wrong way, Conway.’”

Mr. Wertheimer may be widely quoted by reporters and editorial boards covering the “money and politics” beat, but that does not mean that his views have any evidentiary or legal value. As a professional lobbyist and activist for policy change in the election law arena, Mr. Wertheimer frequently uses rhetoric, and even legal filings, to advocate for a version of the law as he would like it to be. He does not provide authoritative statements on what the law actually is. The Commission should not give any credence to his propaganda, whether it comes in the form of a direct quote, or is paraphrased and presented as actual “news” by a sympathetic reporter.

Mr. Wertheimer authored an op-ed that appeared in *Politico* the day after this article was published.¹ The thematic and factual similarities between the two pieces are very curious. The *New York Times* followed suit one day later with an editorial that – incredibly – repeated the same charges almost verbatim:

¹ See Fred Wertheimer, *Secret Funds Flow Into Races*, Politico (Sept. 17, 2010) available at <http://www.politico.com/news/stories/0910/42293.html>.

Most of the cash has gone to Republican operatives like Karl Rove who have set up tax-exempt 501(c)(4) organizations. In theory, these groups, with disingenuously innocuous names like American Crossroads and the American Action Network, are meant to promote social welfare. The value to the political operatives is that they are a funnel for anonymous campaign donations.

Mr. Rove's group, American Crossroads, hopes to spend \$50 million, and is already advertising against Democratic candidates in California, Pennsylvania, Nevada and other states. The American Action Network, led by Norm Coleman, the former Republican senator from Minnesota, is spending \$25 million, and has been blasting the Democratic senators Patty Murray in Washington and Russell Feingold in Wisconsin.

The United States Chamber of Commerce, still boiling over its failure to stop health care reform, is spending \$75 million to defeat the lawmakers who approved it. Their donors need not be revealed. (Labor unions are trying to do the same thing for Democrats, but cannot raise nearly as much money.)

New York Times, *The Secret Election*, Sept. 18, 2010 available at <http://www.nytimes.com/2010/09/19/opinion/19sun1.html> (emphasis added).

We hope the Commission recognizes that the *Time* magazine article that apparently was given some weight by OGC was part of a coordinated lobbying campaign carried out by self-styled "reform" activists in the media in early fall 2010 and subsequently echoed by Democratic National Committee Chairman Tim Kaine² and Democratic Congressional Campaign Committee Chairman Chris Van Hollen.³ It is also worth considering whether other media reports concerning Crossroads GPS are similarly compromised.

The advertisement aired in Kentucky that is referenced in the article was addressed in our Initial Response. We explained that it was "seven issue advocacy and/or grassroots lobbying advertisements on issues related to the "7 in '11" National Action Plan" aired by Crossroads GPS in Summer 2010. Response of Crossroads GPS, December 22, 2010 at 8. In addition:

Each of these advertisements constituted grassroots lobbying and issue advocacy under

² See Democratic National Committee Press Release, "DNC Chairman Tim Kaine Calls on Karl Rove to Disclose Donors to his Shadowy, Outside Groups" available at http://www.democrats.org/news/blog/dnc_chairman_tim_kaine_calls_on_karl_rove_to_disclose_donors_to_his_shadowy.

³ See Rove: Dems' Attacks on GOP Donors "Hypocritical", CBS Face the Nation available at <http://www.cbsnews.com/stories/2010/10/24/ftn/main6987206.shtml>.

Chief Justice Robert's *Wisconsin Right to Life* test, and none contained express advocacy. These ads urged viewers to take action with respect to specific policies or legislation under consideration by Congress. The ads prominently provided the address of the Crossroads GPS website, which directed visitors to template pages enabling viewers to send letters and emails to Members of Congress, urging them to take specific policy and legislative actions. Viewers could also send letters to the editors of various publications and make blog postings.

Response of Crossroads Grassroots Policy Strategies in MUR 6396 at 8 (Dec. 22, 2010).

11. *GOP groups coordinated spending*, Politico, November 3, 2010.

This article refers to American Action Network as "a Crossroads affiliate." This is incorrect. American Action Networks is an entirely separate organization with its own leadership, staff and direction.

The article also asserts that Crossroads GPS "sank \$17 million into ads and turnout communications." This figure presumably includes non-express advocacy advertisements that Crossroads GPS reported to the FEC as electioneering communications. The correct figure for total independent expenditures is included in our Initial Response.

12. *Big Spending by Republican-Friendly Groups*, New York Times, October 13, 2010.

13. *Conservative group, flush with funds, turns to House*, Washington Post, October 14, 2010.

14. *GOP Groups Launch Massive Ad Blitz*, Wall Street Journal, October 13, 2010.

Articles #12-14 report that Crossroads GPS participated in what was dubbed the "House surge strategy." Crossroads GPS acknowledges, and has never denied, that it produced and distributed express advocacy communications. See Initial Response of Crossroads GPS (Dec. 22, 2010) at 1, 2, 4, 7, 10, 11, 13, and 21. As is amply demonstrated in our Initial Response and Supplemental Response of September 9, 2011, the major purpose of Crossroads GPS, however, is not Federal campaign activity.

16. *Conservative group fires first shot in U.S. Senate race ad war*, Kentucky.com, August 26, 2010.

This article discusses the same advertisement discussed in Article #10 above. Jonathan Collegio is quoted in the article, but it is unclear what exactly he was responding to. He may have been discussing planned activities of American Crossroads, or simply offering a reason why other groups might run ads in Kentucky. Later in the article, the author includes information

provided by Mr. Collegio that emphasizes the legal and organizational differences between Crossroads GPS and American Crossroads, and correctly notes that Crossroads GPS “can say – as it does in the new TV ad – that Conway’s position is wrong and that voters should urge him to change it.”

17. 2012 Election Spending Race Heats Up, Wall Street Journal, March 1, 2011.

The lead paragraph of this article is incorrect. American Crossroads and Crossroads GPS did not “set a goal of raising \$120 million in the effort to defeat President Barack Obama, win a GOP majority in the Senate and protect the party’s grip on the House in the 2012 election.” That is the author’s characterization of the purposes for which the organizations intend to spend funds raised. At the time the article was published, representatives for American Crossroads and Crossroads GPS did, however, indicate publicly that the two groups aimed to raise a total of \$120 million by the end of 2012.

The suggestion that the efforts of American Crossroads and Crossroads GPS “could complement the Republican National Committee’s focus on rallying Republican voters and funding state parties” is the author’s conjecture.

Finally, the sentence, “American Crossroads and Crossroads GPS disclosed in an annual report sent to donors this week that they spent 96% of the money raised on campaigns,” is incorrect. The organization’s supporters were informed that over 96% of the organizations’ funds had been spent on activities *other than* fundraising expenses and administrative/overhead costs. This certainly does not mean that all other spending was “on campaigns.” The correct figures for Crossroads GPS’s activity that was for the purpose of influencing elections were provided in our Initial Response.

18. Political groups, now free of limits, spending heavily ahead of 2012, Washington Post, May 21, 2011.

This article is almost entirely about American Crossroads. Jonathan Collegio is quoted saying, “The Crossroads groups have stated that we’ll be involved heavily in 2012, both in congressional races and the presidential side as well.” Crossroads GPS anticipates making independent expenditures in connection with the 2012 elections. As was the case in 2010, however, Federal campaign activity will not be the organization’s major purpose.

We once again urge the Commission to dismiss this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Josefiak', written in a cursive style.

Thomas J. Josefiak

Michael Bayes

Counsel to Crossroads GPS

1004440010

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7540-341-8808
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April 23, 2012

Anthony Herman, Esq.
General Counsel's Office
999 E Street, NW
Washington, DC 20463

Re: MUR 6396

Dear Mr. Herman,

On April 16, 2012, Crossroads Grassroots Policy Strategies (GPS) filed two Form 990 annual returns with the Internal Revenue Service, detailing financial activities over the period June 1, 2010, through December 31, 2011. These two returns were subsequently posted online by several media outlets.

We have attached a public inspection copy of each Form 990 return so that they may be included in the record in this matter.

Sincerely,



Thomas J. Josefiak
Michael Bayes
Counsel to Crossroads GPS

Enclosures

cc: Chair Caroline Hunter
Vice Chair Ellen Weintraub

Form **990**

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)

OMB No. 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2010 calendar year, or tax year beginning **JUN 1, 2010** and ending **MAY 31, 2011**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input checked="" type="checkbox"/> Application pending	C Name of organization CROSSROADS GRASSROOTS POLICY STRATEGIES Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 45 N. HILL DRIVE 100 City or town, state or country, and ZIP + 4 WARRENTON, VA 20186 F Name and address of principal officer: STEVEN LAW SAME AS C ABOVE	D Employer identification number 27-2753378 E Telephone number 202-559-6428 G Gross receipts \$ 48,404,791. 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.CROSSROADSGPS.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
L Year of formation: 2010		M State of legal domicile: VA

Part I Summary			Prior Year	Current Year
	1 Briefly describe the organization's mission or most significant activities: ENGAGING IN PUBLIC COMMUNICATIONS AND DIRECT CONTACT WITH INTERESTED CONSTITUENCIES TO			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3		3
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4		3
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5		4
	6 Total number of volunteers (estimate if necessary)	6		0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a		0.
	7b Net unrelated business taxable income from Form 990-T, line 34	7b		0.
Revenue	8 Contributions and grants (Part VIII, line 1h)			48,404,791.
	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)			48,404,791.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)			15,860,000.
	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)			570,231.
	16a Professional fundraising fees (Part IX, column (A), line 11a)			361,500.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 529,261.			
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)			25,553,153.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)			42,344,884.
	19 Revenue less expenses. Subtract line 18 from line 12			6,059,907.
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year		End of Year 6,178,412.
	21 Total liabilities (Part X, line 26)			118,505.
	22 Net assets or fund balances. Subtract line 21 from line 20			6,059,907.

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 STEVEN LAW, PRESIDENT Type or print name and title	Date
------------------	--------------------------------------------------------------------------------------	------

Paid Preparer Use Only	Print/Type preparer's name KAREN E. ATCHLEY	Preparer's signature <i>Karen E. Atchley, CPA</i>	Date 4/12/12	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶ ATCHLEY & ASSOCIATES, LLP	Firm's EIN ▶			
	Firm's address ▶ 6850 AUSTIN CENTER BLVD, STE 180 AUSTIN, TX 78731-3129	Phone no. (512) 346-2086			

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

11030001-10-00000-10000

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: CROSSROADS GRASSROOTS POLICY STRATEGIES IS A NON-PROFIT PUBLIC POLICY ADVOCACY ORGANIZATION THAT IS DEDICATED TO EDUCATING, EQUIPPING, AND ENGAGING AMERICAN CITIZENS TO TAKE ACTION ON IMPORTANT ECONOMIC AND LEGISLATIVE ISSUES THAT WILL SHAPE OUR NATION'S FUTURE. THE VISION OF

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 [X] No

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

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 \$ 1,012,933. including grants of \$) (Revenue \$) CROSSROADS GPS CONDUCTS RESEARCH TO DETERMINE HOW VARIOUS DEMOGRAPHIC GROUPS RESPOND TO CURRENT NATIONAL POLICY ISSUES, WHAT PRIORITIES AND CONCERNS THEY HAVE, AND WHICH PUBLIC POLICY ISSUES THEY MIGHT BE MOST INCLINED TO TAKE ACTION ON THROUGH GRASSROOTS PARTICIPATION. CROSSROADS GPS ALSO SPONSORS IN-DEPTH POLICY RESEARCH ON SIGNIFICANT ISSUES, ESPECIALLY THOSE THAT ARE CURRENTLY UNDER-REPORTED BUT ARE LIKELY TO HAVE A SUBSTANTIAL IMPACT ON GOVERNMENT POLICYMAKING IN THE FUTURE.

4b (Code:) (Expenses \$ 15860000. including grants of \$ 15860000.) (Revenue \$) THE ORGANIZATION PROMOTES SOCIAL WELFARE PURPOSES OF NONPROFIT 501C GROUPS THAT SHARE SIMILAR MISSIONS.

4c (Code:) (Expenses \$ 8,627,439. including grants of \$) (Revenue \$) THE ORGANIZATION CONDUCTS PUBLIC COMMUNICATIONS AND BUILDS GRASSROOTS TO INFLUENCE POLICYMAKING OUTCOMES THROUGH GRASSROOTS MOBILIZATION AND ADVOCACY. THE FOCUS OF THESE ADVOCACY EFFORTS MAY INCLUDE LEGISLATION, BUDGET PRIORITIES, REGULATIONS, PUBLIC HEARINGS AND INVESTIGATIONS, AND OTHER POLICYMAKING ACTIVITIES. THE ORGANIZATION ALSO ENGAGES CITIZENS TO PARTICIPATE IN GRASSROOTS ADVOCACY ON PENDING LEGISLATIVE ISSUES THROUGH PAID ADVERTISING, MAILINGS, E-MAILS, AND WEB-BASED ADVOCACY TOOLS.

4d Other program services. (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 25,500,372.

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)? <i>If "Yes," complete Schedule A</i>		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? <i>If "Yes," complete Schedule C, Part I</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? <i>If "Yes," complete Schedule C, Part II</i>	N/A	
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? <i>If "Yes," complete Schedule C, Part III</i>		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? <i>If "Yes," complete Schedule D, Part I</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? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		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? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>		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? <i>If "Yes," complete Schedule D, Part VIII</i>		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? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		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)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I</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? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
b <i>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)</i>		

Form 990 (2010)

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
28a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
28b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		N/A
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **CALEB CROSBY - 202-559-6428**
1401 NEW YORK AVE., NW, WASHINGTON, DC 20005

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a			
	b Membership dues	1b			
	c Fundraising events	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	48,404,791.		
	g Noncash contributions included in lines 1a-1f: \$				
	h Total. Add lines 1a-1f		48,404,791.		
Program Service Revenue	2 a _____	Business Code			
	b _____				
	c _____				
	d _____				
	e _____				
	f All other program service revenue				
	g Total. Add lines 2a-2f				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)				
	4 Income from investment of tax-exempt bond proceeds				
	5 Royalties				
	6 a Gross Rents	(i) Real (ii) Personal			
	b Less: rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss)				
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other			
	b Less: cost or other basis and sales expenses				
	c Gain or (loss)				
	d Net gain or (loss)				
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a			
	b Less: direct expenses	b			
c Net income or (loss) from fundraising events					
9 a Gross income from gaming activities. See Part IV, line 19	a				
b Less: direct expenses	b				
c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code			
11 a _____					
b _____					
c _____					
d All other revenue					
e Total. Add lines 11a-11d					
12 Total revenue. See instructions.		48,404,791.	0.	0.	0.

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 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 U.S. See Part IV, line 21	15,860,000.	15,860,000.		
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	326,250.	146,812.	117,450.	61,988.
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	210,420.	77,883.	96,650.	35,887.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes	33,561.	10,626.	22,935.	
11 Fees for services (non-employees):				
a Management				
b Legal	361,892.	115,952.	245,940.	
c Accounting	56,078.		56,078.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17	361,500.			361,500.
f Investment management fees				
g Other	343,318.	263,066.	80,252.	
12 Advertising and promotion				
13 Office expenses	6,931.	16.	1,943.	4,972.
14 Information technology	82,099.	74,153.	199.	7,747.
15 Royalties				
16 Occupancy				
17 Travel	18,777.	338.		18,439.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	14,728.	1,184.	711.	12,833.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	724.		724.	
23 Insurance	35,599.		35,599.	
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 POLITICAL DIRECT	15,465,017.		15,465,017.	
b GRASSROOTS ISSUE ADVOCA	8,202,432.	8,202,432.		
c SURVEY & FILE MAINTENAN	741,590.	741,590.		
d PRINTING & PROD SURPLUS	188,825.		188,825.	
e DONOR CORRESPONDENCE	15,486.			15,486.
f All other expenses	19,657.	6,320.	2,928.	10,409.
25 Total functional expenses. Add lines 1 through 24f	42,344,884.	25,500,372.	16,315,251.	529,261.
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				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash - non-interest-bearing	1	5,042,662.
	2 Savings and temporary cash investments	2	1,000,000.
	3 Pledges and grants receivable, net	3	
	4 Accounts receivable, net	4	126,834.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)	6	
	7 Notes and loans receivable, net	7	
	8 Inventories for sale or use	8	
	9 Prepaid expenses and deferred charges	9	6,746.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	2,894.
	b Less: accumulated depreciation	10b	724.
	11 Investments - publicly traded securities	11	
	12 Investments - other securities. See Part IV, line 11	12	
	13 Investments - program-related. See Part IV, line 11	13	
	14 Intangible assets	14	
	15 Other assets. See Part IV, line 11	15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	0. 16	6,178,412.	
Liabilities	17 Accounts payable and accrued expenses	17	118,505.
	18 Grants payable	18	
	19 Deferred revenue	19	
	20 Tax-exempt bond liabilities	20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	22	
	23 Secured mortgages and notes payable to unrelated third parties	23	
	24 Unsecured notes and loans payable to unrelated third parties	24	
	25 Other liabilities. Complete Part X of Schedule D	25	
	26 Lines 17 through 25	0. 26	118,505.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	27	6,059,907.
	28 Temporarily restricted net assets	28	
	29 Permanently restricted net assets	29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds	30	
	31 Paid-in or capital surplus, or land, building, or equipment fund	31	
	32 Retained earnings, endowment, accumulated income, or other funds	32	
	33 Total net assets or fund balances	0. 33	6,059,907.
34 Total liabilities and net assets/fund balances	0. 34	6,178,412.	

Form 990 (2010)

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	48,404,791.
2	Total expenses (must equal Part IX, column (A), line 25)	2	42,344,884.
3	Revenue less expenses. Subtract line 2 from line 1	3	6,059,907.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	0.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	6,059,907.

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
2d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2010)

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2010

Name of the organization

Employer identification number

CROSSROADS GRASSROOTS POLICY STRATEGIES

27-2753378

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(4) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ S. _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization CROSSROADS GRASSROOTS POLICY STRATEGIES	Employer identification number 27-2753378
------------------------------------------------------------------------	-----------------------------------------------------

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/> <hr/>	\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	<hr/> <hr/> <hr/> <hr/>	\$ 10,100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	<hr/> <hr/> <hr/> <hr/>	\$ 5,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	<hr/> <hr/> <hr/> <hr/>	\$ 4,500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	<hr/> <hr/> <hr/> <hr/>	\$ 2,984,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	<hr/> <hr/> <hr/> <hr/>	\$ 2,750,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

1004400442004

Name of organization CROSSROADS GRASSROOTS POLICY STRATEGIES	Employer identification number 27-2753378
------------------------------------------------------------------------	-----------------------------------------------------

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ <u>2,016,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8		\$ <u>1,950,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9		\$ <u>1,500,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10		\$ <u>1,250,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11		\$ <u>1,000,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12		\$ <u>1,000,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

1400141000004

Name of organization

Employer identification number

CROSSROADS GRASSROOTS POLICY STRATEGIES

27-2753378

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
25		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
26		\$ 200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
27		\$ 200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
28		\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
29		\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
30		\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

16044463067

Name of organization CROSSROADS GRASSROOTS POLICY STRATEGIES	Employer identification number 27-2753378
------------------------------------------------------------------------	-----------------------------------------------------

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
61		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
62		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
63		\$ 4,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
64		\$ 55,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

1603440001

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A Check if the filing organization belongs to an affiliated group.
 B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?														

Yes No

4-Year Averaging Period Under Section 501(h)
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2010

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities? If "Yes," describe in Part IV			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

PART I-A, LINE 1:

POLITICAL MEDIA PLACEMENT AND PRODUCTION, LEGAL & MANAGEMENT SUPPORT.

1003474060008

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010
Open to Public Inspection

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number
27-2753378

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1
- ▶ \$ _____
- (ii) Assets included in Form 990, Part X
- ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
- a Revenues included in Form 990, Part VIII, line 1
- ▶ \$ _____
- b Assets included in Form 990, Part X
- ▶ \$ _____

10004744001

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Term endowment _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(i), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		2,894.	724.	2,170.
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) 2,170.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	

2. For each ASC 740 position, in Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

10001004440001

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Supplemental Information Regarding
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2010

**Open To Public
Inspection**

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number

27-2753378

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
- b Internet and email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
GROSS CONTRIBUTIONS - 45 N. HILL DRIVE, STE. 100,			X	48,404,791.	0.	48,404,791.
CPL ASSOCIATES - 4189 S FOUR MILE RUN DR, #404,			X	0.	24,000.	-24,000.
DL & CO. - 2440 N. EDGEWOOD ST., ARLINGTON, VA 22207			X	0.	60,750.	-60,750.
MCKENNA & ASSOCIATES LLC - 2321 NORTH KENTUCKY ST.,			X	0.	180,000.	-180,000.
ROCK CREEK ADVISORS LLC - 5331 16TH STREET NW,			X	0.	96,750.	-96,750.
Total				48,404,791.	361,500.	48,043,291.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		(event type)	(event type)	(total number)	
Revenue	1	Gross receipts			
	2	Less: Charitable contributions			
	3	Gross income (line 1 minus line 2)			
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses			
	10	Direct expense summary. Add lines 4 through 9 in column (d)			()
	11	Net income summary. Combine line 3, column (d), and line 10			()

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1	Gross revenue			
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
	7	Direct expense summary. Add lines 2 through 5 in column (d)			()
	8	Net gaming income summary. Combine line 1, column d, and line 7			()

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? Yes No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If "Yes," explain: _____

- 11 Does the organization operate gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity operated in:
- | | | |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____
- c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer Employee Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (ii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G, PART I, LINE 2B, LIST OF TEN HIGHEST PAID FUNDRAISERS:

(I) NAME OF FUNDRAISER: GROSS CONTRIBUTIONS

(I) ADDRESS OF FUNDRAISER: 45 N. HILL DRIVE, STE. 100, WARRENTON, VA 20186

(I) NAME OF FUNDRAISER: CFL ASSOCIATES

(I) ADDRESS OF FUNDRAISER:

4189 S FOUR MILE RUN DR, #404, ARLINGTON, VA 22204

Part IV Supplemental Information (continued)

(I) NAME OF FUNDRAISER: MCKENNA & ASSOCIATES LLC

(I) ADDRESS OF FUNDRAISER: 2321 NORTH KENTUCKY ST., ARLINGTON, VA 22205

(I) NAME OF FUNDRAISER: ROCK CREEK ADVISORS LLC

(I) ADDRESS OF FUNDRAISER: 5331 16TH STREET NW, WASHINGTON, DC 20011

SCHEDULE G, PART I, LINE 2B, COLUMN (IV):

GROSS CONTRIBUTIONS RECEIVED FROM INTERNET AND MAIL, IN-PERSON AND
NON-GOVERNMENT GRANT SOLICITATIONS ARE NOT DIRECTLY TIED TO A SPECIFIC
PROFESSIONAL FUNDRAISER AND HAVE BEEN REPORTED ON SCHEDULE G IN THE
TOTAL AMOUNTS RECEIVED BY THE ORGANIZATION.

190449086

Schedule I (Form 990) CROSSROADS GRASSROOTS POLICY STRATEGIES

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II).

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
INDIANA RIGHT TO LIFE 9465 COUNSELORS ROW, INDIANAPOLIS, IN 46240	35-1393803	501C4	35,000.	0.			SOCIAL WELFARE
NATIONAL RIGHT TO LIFE 512 10TH STREET, NW WASHINGTON, DC 20004	52-0986195	501C4	2,025,000.	0.			SOCIAL WELFARE
NATIONAL FEDERATION OF INDEPENDENT BUSINESS - 1201 F STREET, NW - WASHINGTON, DC 20004	94-0707299	501C6	3,700,000.	0.			SOCIAL WELFARE
NRA INSTITUTE FOR LEGISLATIVE ACTIONI - 11250 WAPLES MILL ROAD - FAIRFAX, VA 22030	53-0116130	501C4	600,000.	0.			SOCIAL WELFARE
REPUBLICAN GOVERNORS PUBLIC POLICY COMMITTEE - 1747 PENNSYLVANIA AVE., NW #250 - WASHINGTON, DC 20006	20-0309803	501C4	750,000.	0.			SOCIAL WELFARE
REPUBLICAN JEWISH COALITION 50 F STREET, NW, SUITE 100 WASHINGTON, DC 20001	52-1386172	501C4	250,000.	0.			SOCIAL WELFARE

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number

27-2753378

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- | | | |
|--------------------------------------------------------------------------------------------------------------------|-----------|----------|
| a Receive a severance payment or change-of-control payment from the organization or a related organization? | 4a | X |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | X |
| c Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | X |
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- | | | |
|------------------------------------|-----------|----------|
| a The organization? | 5a | X |
| b Any related organization? | 5b | X |
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- | | | |
|------------------------------------|-----------|----------|
| a The organization? | 6a | X |
| b Any related organization? | 6b | X |
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990.

Schedule J (Form 990) 2010

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2010
Open to Public
Inspection

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number
27-2753378

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

**ADVOCATE POLICY OUTCOMES ON PENDING LEGISLATIVE AND REGULATORY ISSUES
SUCH AS: HEALTH CARE REFORM, TAXES, SPENDING AND DEFICITS,
CONGRESSIONAL REFORM AND ENERGY AND ENVIRONMENT. THE PURPOSE OF THESE
ISSUE ADVOCACY AND GRASSROOTS LOBBYING ACTIVITIES IS TO PROMOTE
POLICIES THAT STRENGTHEN THE NATION'S ECONOMY, REDUCE REGULATION OF
PRIVATE SECTOR ACTIVITY, AND RESTORE GOVERNMENT TO A SOUND FINANCIAL
FOOTING.**

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

**CROSSROADS GPS IS TO EMPOWER PRIVATE CITIZENS TO DETERMINE THE
DIRECTION OF GOVERNMENT POLICYMAKING RATHER THAN BEING THE
DISENFRANCHISED VICTIMS OF IT. THROUGH ISSUE RESEARCH, PUBLIC
COMMUNICATIONS, EVENTS WITH POLICYMAKERS, AND OUTREACH TO INTERESTED
CITIZENS, CROSSROADS GPS SEEKS TO ELEVATE UNDERSTANDING OF
CONSEQUENTIAL NATIONAL POLICY ISSUES, AND TO BUILD GRASSROOTS SUPPORT
FOR LEGISLATIVE AND POLICY CHANGES THAT PROMOTE PRIVATE SECTOR ECONOMIC
GROWTH, REDUCE NEEDLESS GOVERNMENT REGULATIONS, IMPOSE STRONGER
FINANCIAL DISCIPLINE AND ACCOUNTABILITY ON GOVERNMENT, AND STRENGTHEN
AMERICA'S NATIONAL SECURITY.**

PART III, LINE 4A AND 4C

PROGRAM SERVICE EXPENSES

**TOTAL EXPENSES FOR THESE PROGRAM SERVICES INCLUDE AN ALLOCATION OF
OVERHEAD, SALARIES AND CONSULTING EXPENSES.**

1000410001

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number

27-2753378

COMPENSATION WAS \$33,000.

STEVEN LAW WORKS AN AVERAGE OF 31 HOURS PER WEEK FOR THE RELATED ORGANIZATION, AMERICAN CROSSROADS.

1004444001

CROSSROADS GRASSROOTS POLICY STRATEGIES

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to other organization(s)		X
c Gift, grant, or capital contribution from other organization(s)		X
d Loans or loan guarantees to or for other organization(s)		X
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		X
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)		X
j Lease of facilities, equipment, or other assets from other organization(s)		X
k Performance of services or membership or fundraising solicitations for other organization(s)		X
l Performance of services or membership or fundraising solicitations by other organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets		X
n Sharing of paid employees		X
o Reimbursement paid to other organization for expenses		X
p Reimbursement paid by other organization for expenses		X
q Other transfer of cash or property to other organization(s)		X
r Other transfer of cash or property from other organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Depreciation and Amortization 990
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

CROSSROADS GRASSROOTS POLICY STRATEGIES FORM 990 PAGE 10

27-2753378

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		2,894.	5 YRS.	HY	200DB	724.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	724.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost.

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use: Table with 9 columns for property details.

27 Property used 50% or less in a qualified business use: Table with 9 columns for property details.

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with 6 main columns (a-f) and 12 sub-columns for Yes/No answers. Rows 30-36 cover miles driven and personal use availability.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table for Section C with 5 rows (37-41) and 2 columns (Yes/No) for employer questions.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table for Part VI with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

42 Amortization of costs that begins during your 2010 tax year: Table with 6 columns.

43 Amortization of costs that began before your 2010 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44

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CHANGE OF ACCOUNTING PERIOD

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)

OMB No 1545-0047

2011

Open to Public Inspection

Form 990

Department of the Treasury Internal Revenue Service

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

A For the 2011 calendar year, or tax year beginning JUN 1, 2011 and ending DEC 31, 2011

B Check if applicable: C Name of organization: CROSSROADS GRASSROOTS POLICY STRATEGIES D Employer identification number: 27-2753378 E Telephone number: 202-559-6428 G Gross receipts \$: 28,402,008. H(a) Is this a group return for affiliates? H(b) Are all affiliates included? I Tax-exempt status: 501(c)(3) J Website: WWW.CROSSROADSGPS.ORG K Form of organization: Corporation L Year of formation: 2010 M State of legal domicile: VA

Part I Summary Table with columns for Revenue, Expenses, and Net Assets or Fund Balances. Rows include: 1 Briefly describe the organization's mission... 2 Check this box... 3-7a Activities & Governance... 8-12 Revenue... 13-19 Expenses... 20-22 Net Assets or Fund Balances.

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: STEVEN LAW, PRESIDENT Date: [blank]

Paid Preparer Use Only: Print/Type preparer's name: KAREN E. ATCHLEY Preparer's signature: [Signature] Date: 4/12/12 PTIN: P00238005 Firm's name: ATCHLEY & ASSOCIATES, LLP Firm's EIN: 74-2920819 Firm's address: 6850 AUSTIN CENTER BLVD, STE 180 AUSTIN, TX 78731-3129 Phone no.: (512) 346-2086

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [] No

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: CROSSROADS GRASSROOTS POLICY STRATEGIES IS A NON-PROFIT PUBLIC POLICY ADVOCACY ORGANIZATION THAT IS DEDICATED TO EDUCATING, EQUIPPING, AND ENGAGING AMERICAN CITIZENS TO TAKE ACTION ON IMPORTANT ECONOMIC AND LEGISLATIVE ISSUES THAT WILL SHAPE OUR NATION'S FUTURE. THE VISION OF

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 [X] 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 [X] 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 \$ 397,208. including grants of \$) (Revenue \$) CROSSROADS GPS CONDUCTS RESEARCH TO DETERMINE HOW VARIOUS DEMOGRAPHIC GROUPS RESPOND TO CURRENT NATIONAL POLICY ISSUES, WHAT PRIORITIES AND CONCERNS THEY HAVE, AND WHICH PUBLIC POLICY ISSUES THEY MIGHT BE MOST INCLINED TO TAKE ACTION ON THROUGH GRASSROOTS PARTICIPATION. CROSSROADS GPS ALSO SPONSORS IN-DEPTH POLICY RESEARCH ON SIGNIFICANT ISSUES, ESPECIALLY THOSE THAT ARE CURRENTLY UNDER-REPORTED BUT ARE LIKELY TO HAVE A SUBSTANTIAL IMPACT ON GOVERNMENT POLICYMAKING IN THE FUTURE.

4b (Code:) (Expenses \$ 50,000. including grants of \$ 50,000.) (Revenue \$) THE ORGANIZATION PROMOTES SOCIAL WELFARE PURPOSES OF NONPROFIT 501C GROUPS THAT SHARE SIMILAR MISSIONS.

4c (Code:) (Expenses \$ 19,472,632. including grants of \$) (Revenue \$) THE ORGANIZATION CONDUCTS PUBLIC COMMUNICATIONS AND BUILDS GRASSROOTS TO INFLUENCE POLICYMAKING OUTCOMES THROUGH GRASSROOTS MOBILIZATION AND ADVOCACY. THE FOCUS OF THESE ADVOCACY EFFORTS MAY INCLUDE LEGISLATION, BUDGET PRIORITIES, REGULATIONS, PUBLIC HEARINGS AND INVESTIGATIONS, AND OTHER POLICYMAKING ACTIVITIES. THE ORGANIZATION ALSO ENGAGES CITIZENS TO PARTICIPATE IN GRASSROOTS ADVOCACY ON PENDING LEGISLATIVE ISSUES THROUGH PAID ADVERTISING, MAILINGS, E-MAILS, AND WEB-BASED ADVOCACY TOOLS.

4d Other program services (Describe in Schedule O.) (Expenses \$) (Revenue \$)

4e Total program service expenses 19,919,840.

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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)? <i>If "Yes," complete Schedule A</i>		X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</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? <i>If "Yes," complete Schedule C, Part II</i>	N/A	
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? <i>If "Yes," complete Schedule C, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part I</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? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		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? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>		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? <i>If "Yes," complete Schedule D, Part VIII</i>		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? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		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)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		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, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		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? <i>If "Yes," complete Schedule G, Part I</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? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i>		

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Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
28a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
28b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		N/A
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows 1a-9. Includes questions about voting members, family relationships, and governance documents.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows 10a-16b. Includes questions about local chapters, conflict of interest policy, and whistleblower policy.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed NONE
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: CALEB CROSBY - 202-559-6428 1401 NEW YORK AVE., NW, WASHINGTON, DC 20005

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	28,402,008.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f		28,402,008.				
Program Service Revenue	Business Code						
	2 a						
	b						
	c						
	d						
	e						
	f All other program service revenue						
g Total. Add lines 2a-2f							
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)						
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
		d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less: direct expenses	b				
		c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d							
12 Total revenue. See instructions.			28,402,008.	0.	0.	0.	

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	50,000.	50,000.		
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	329,333.	179,982.	95,752.	53,599.
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	213,746.	116,813.	62,146.	34,787.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	553.		553.	
10 Payroll taxes	19,696.	7,444.	11,634.	618.
11 Fees for services (non-employees):				
a Management				
b Legal	226,497.	189,753.	36,744.	
c Accounting	53,073.		53,073.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17	355,000.			355,000.
f Investment management fees				
g Other	267,200.	263,094.	4,106.	
12 Advertising and promotion				
13 Office expenses	9,921.	8,009.	467.	1,445.
14 Information technology	59,028.	48,600.	2,377.	8,051.
15 Royalties				
16 Occupancy	7,777.		7,777.	
17 Travel	23,003.	2,321.	6,863.	13,819.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	15,191.	891.	2,900.	11,400.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,890.		1,890.	
23 Insurance	39,284.		39,284.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a GRASSROOTS ISSUE ADVOCA	18,884,547.	18,884,547.		
b POLITICAL DIRECT	1,641,345.		1,641,345.	
c SURVEY AND FILE MAINTEN	153,329.	153,329.		
d SUBSCRIPTION	15,173.	15,057.		116.
e All other expenses	10,044.		1,128.	8,916.
25 Total functional expenses. Add lines 1 through 24e	22,375,630.	19,919,840.	1,968,039.	487,751.
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 if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	5,042,662.	1	11,119,015.
	2	Savings and temporary cash investments	1,000,000.	2	1,000,000.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	126,834.	4	155.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	6,746.	9	45,663.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	26,783.		
	10b	Less: accumulated depreciation	2,614.		
			2,170.	10c	24,169.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
15	Other assets. See Part IV, line 11		15		
16	Total assets. Add lines 1 through 15 (must equal line 34)	6,178,412.	16	12,189,002.	
Liabilities	17	Accounts payable and accrued expenses	118,505.	17	102,717.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26	Total liabilities. Add lines 17 through 25	118,505.	26	102,717.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	6,059,907.	27	12,086,285.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	6,059,907.	33	12,086,285.	
34	Total liabilities and net assets/fund balances	6,178,412.	34	12,189,002.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	28,402,008.
2	Total expenses (must equal Part IX, column (A), line 25)	2	22,375,630.
3	Revenue less expenses. Subtract line 2 from line 1	3	6,026,378.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	6,059,907.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	12,086,285.

Part XII Financial Statements and Reporting

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

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b Were the organization's financial statements audited by an independent accountant?	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2011)

1004100114

Schedule B
(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2011

Name of the organization

Employer identification number

CROSSROADS GRASSROOTS POLICY STRATEGIES

27-2753378

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(4) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

1604463115

Name of organization CROSSROADS GRASSROOTS POLICY STRATEGIES	Employer identification number 27-2753378
------------------------------------------------------------------------	-----------------------------------------------------

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	 <hr/> <hr/> <hr/>	\$ <u>400,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	 <hr/> <hr/> <hr/>	\$ <u>2,500,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	 <hr/> <hr/> <hr/>	\$ <u>1,000,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	 <hr/> <hr/> <hr/>	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	 <hr/> <hr/> <hr/>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	 <hr/> <hr/> <hr/>	\$ <u>20,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

100044440001

Name of organization

Employer identification number

CROSSROADS GRASSROOTS POLICY STRATEGIES

27-2753378

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19		\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
20		\$ 1,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
21		\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
22		\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
23		\$ 95,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
24		\$ 95,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

1004100410001

Name of organization CROSSROADS GRASSROOTS POLICY STRATEGIES	Employer identification number 27-2753378
------------------------------------------------------------------------	-----------------------------------------------------

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
25		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
26		\$ 200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
27		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
28		\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
29		\$ 200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
30		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

16044469420

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2011

For Organizations Exempt From Income Tax Under section 501(c) and section 527

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.**

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 4b (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes" to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes" to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization **CROSSROADS GRASSROOTS POLICY STRATEGIES** Employer identification number **27-2753378**

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$ **1,668,924.**
- 3 Volunteer hours **0.**

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ **1,668,924.**
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ **1,668,924.**
- 4 Did the filing organization file Form 1120-POL for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2011 LHA

132041 01-27-12

16044431124

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check If the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check If the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a; column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2011

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

PART I-A, LINE 1:

POLITICAL MEDIA PLACEMENT AND PRODUCTION, LEGAL & MANAGEMENT SUPPORT.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011
Open to Public Inspection

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number
27-2753378

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <input type="checkbox"/> Yes <input type="checkbox"/> No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space
- 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.
- | | Held at the End of the Tax Year |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d |
- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- 4 Number of states where property subject to conservation easement is located ▶ _____
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No
- 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Temporarily restricted endowment _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		4,783.	1,392.	3,391.
e Other		22,000.	1,222.	20,778.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				24,169.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	

For the tax year 2011, provide the text of the resolution to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

160474440001

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	28,402,008.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	22,375,630.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	6,026,378.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	6,026,378.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	28,402,008.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	28,402,008.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	28,402,008.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	22,375,630.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	22,375,630.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	22,375,630.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2: CROSSROADS GRASSROOTS POLICY STRATEGIES HAS ADOPTED

FASB ASC 740-10, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES. THAT STANDARD PRESCRIBES A COMPREHENSIVE MODEL FOR HOW AN ORGANIZATION SHOULD MEASURE, RECOGNIZE, PRESENT, AND DISCLOSE IN ITS FINANCIAL STATEMENTS UNCERTAIN TAX POSITIONS THAT AN ORGANIZATION HAS TAKEN OR EXPECTS TO TAKE ON A TAX RETURN.

1003474044000

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Supplemental Information Regarding
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

**Open To Public
Inspection**

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number

27-2753378

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
- b Internet and email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
GROSS CONTRIBUTIONS - 45 N. HILL DRIVE, STE. 100,			X	28,402,008.	0.	28,402,008.
CFL ASSOCIATES - 4189 S FOUR MILE RUN DR, #404, ARLINGTON,			X	0.	56,000.	-56,000.
MCKENNA & ASSOCIATES LLC - 2321 NORTH KENTUCKY ST.,			X	0.	160,000.	-160,000.
ROCK CREEK ADVISORS LLC - 5331 16TH STREET NW,			X	0.	84,000.	-84,000.
THE MK GROUP - 5905 GLOSTER ROAD, BETHESDA, MD 20816			X	0.	25,000.	-25,000.
THE LARRISON GROUP, LLC - P.O. BOX 3986, WASHINGTON, DC			X	0.	30,000.	-30,000.
Total				28,402,008.	355,000.	28,047,008.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

	(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
	(event type)	(event type)	(total number)	(add col. (a) through col. (c))
Revenue				
1 Gross receipts				
2 Less: Charitable contributions				
3 Gross income (line 1 minus line 2)				
Direct Expenses				
4 Cash prizes				
5 Noncash prizes				
6 Rent/facility costs				
7 Food and beverages				
8 Entertainment				
9 Other direct expenses				
10 Direct expense summary. Add lines 4 through 9 in column (d)				()
11 Net income summary. Combine line 3, column (d), and line 10				()

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue				
1 Gross revenue				
Direct Expenses				
2 Cash prizes				
3 Noncash prizes				
4 Rent/facility costs				
5 Other direct expenses				
6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d)				()
8 Net gaming income summary. Combine line 1, column d, and line 7				()

9 Enter the state(s) in which the organization operates gaming activities: _____
 a Is the organization licensed to operate gaming activities in each of these states? Yes No
 b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
 b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? Yes No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in:
a The organization's facility **13a** %
b An outside facility **13b** %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:
Name ▶ _____
Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____
c If "Yes," enter name and address of the third party:

Name ▶ _____
Address ▶ _____

16 Gaming manager information:
Name ▶ _____
Gaming manager compensation ▶ \$ _____
Description of services provided ▶ _____

 Director/officer Employee Independent contractor

17 Mandatory distributions:
a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental information. Complete this part to provide the explanations required by Part I, line 2b, columns (ii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G, PART I, LINE 2B, LIST OF TEN HIGHEST PAID FUNDRAISERS:

(I) NAME OF FUNDRAISER: GROSS CONTRIBUTIONS

(I) ADDRESS OF FUNDRAISER: 45 N. HILL DRIVE, STE. 100, WARRENTON, VA 20186

(I) NAME OF FUNDRAISER: CFL ASSOCIATES

(I) ADDRESS OF FUNDRAISER:
4189 S FOUR MILE RUN DR, #404, ARLINGTON, VA 22204

11031100144001

Part IV Supplemental Information (continued)

(I) NAME OF FUNDRAISER: MCKENNA & ASSOCIATES LLC

(I) ADDRESS OF FUNDRAISER: 2321 NORTH KENTUCKY ST., ARLINGTON, VA 22205

(I) NAME OF FUNDRAISER: ROCK CREEK ADVISORS LLC

(I) ADDRESS OF FUNDRAISER: 5331 16TH STREET NW, WASHINGTON, DC 20011

(I) NAME OF FUNDRAISER: THE LARRISON GROUP, LLC

(I) ADDRESS OF FUNDRAISER: P.O. BOX 3986, WASHINGTON, DC 20027

SCHEDULE G, PART I, LINE 2B, COLUMN (IV):

GROSS CONTRIBUTIONS RECEIVED FROM INTERNET AND MAIL, IN-PERSON AND
NON-GOVERNMENT GRANT SOLICITATIONS ARE NOT DIRECTLY TIED TO A SPECIFIC
PROFESSIONAL FUNDRAISER AND HAVE BEEN REPORTED ON SCHEDULE G IN THE
TOTAL AMOUNTS RECEIVED BY THE ORGANIZATION.

10047444001

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: CROSSROADS GPS CAREFULLY EVALUATES THE MISSIONS AND ACTIVITIES OF RECIPIENT ORGANIZATIONS PRIOR TO MAKING ANY GRANTS TO ENSURE THAT FUNDS ARE USED ONLY FOR EXEMPT PURPOSES OF RECOGNIZED TAX-EXEMPT SECTION 501(C)(4) AND 501(C)(6) ORGANIZATIONS. GRANTS ARE ACCOMPANIED BY A LETTER OF TRANSMITTAL STATING THAT THE FUNDS ARE TO BE USED ONLY FOR EXEMPT PURPOSES, AND NOT FOR POLITICAL EXPENDITURES, CONSISTENT WITH THE ORGANIZATION'S TAX-EXEMPT MISSION.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number

27-2753378

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

- | | |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? **4a**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c**
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a**
- b** Any related organization? **5b**
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a**
- b** Any related organization? **6b**
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2011

Schedule J (Form 990) 2011 **CROSSROADS GRASSROOTS POLICY STRATEGIES 27-2753378**

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 STEVEN LAW	(i)	372,083.	96,000.	0.	0.	468,083.	0.
	(ii)	105,775.	24,000.	0.	5,077.	134,852.	0.
2	(i)						
	(ii)						
3	(i)						
	(ii)						
4	(i)						
	(ii)						
5	(i)						
	(ii)						
6	(i)						
	(ii)						
7	(i)						
	(ii)						
8	(i)						
	(ii)						
9	(i)						
	(ii)						
10	(i)						
	(ii)						
11	(i)						
	(ii)						
12	(i)						
	(ii)						
13	(i)						
	(ii)						
14	(i)						
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011
Open to Public
Inspection

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number

27-2753378

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

**ADVOCATE POLICY OUTCOMES ON PENDING LEGISLATIVE AND REGULATORY ISSUES
SUCH AS: HEALTH CARE REFORM, TAXES, SPENDING AND DEFICITS,
CONGRESSIONAL REFORM AND ENERGY AND ENVIRONMENT. THE PURPOSE OF THESE
ISSUE ADVOCACY AND GRASSROOTS LOBBYING ACTIVITIES IS TO PROMOTE
POLICIES THAT STRENGTHEN THE NATION'S ECONOMY, REDUCE REGULATION OF
PRIVATE SECTOR ACTIVITY, AND RESTORE GOVERNMENT TO A SOUND FINANCIAL
FOOTING.**

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

**CROSSROADS GPS IS TO EMPOWER PRIVATE CITIZENS TO DETERMINE THE
DIRECTION OF GOVERNMENT POLICYMAKING RATHER THAN BEING THE
DISENFRANCHISED VICTIMS OF IT. THROUGH ISSUE RESEARCH, PUBLIC
COMMUNICATIONS, EVENTS WITH POLICYMAKERS, AND OUTREACH TO INTERESTED
CITIZENS, CROSSROADS GPS SEEKS TO ELEVATE UNDERSTANDING OF
CONSEQUENTIAL NATIONAL POLICY ISSUES, AND TO BUILD GRASSROOTS SUPPORT
FOR LEGISLATIVE AND POLICY CHANGES THAT PROMOTE PRIVATE SECTOR ECONOMIC
GROWTH, REDUCE NEEDLESS GOVERNMENT REGULATIONS, IMPOSE STRONGER
FINANCIAL DISCIPLINE AND ACCOUNTABILITY ON GOVERNMENT, AND STRENGTHEN
AMERICA'S NATIONAL SECURITY.**

PART III, LINE 4A AND 4C

PROGRAM SERVICE EXPENSES

**TOTAL EXPENSES FOR THESE PROGRAM SERVICES INCLUDE AN ALLOCATION OF
OVERHEAD, SALARIES AND CONSULTING EXPENSES.**

100-100444-1001

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number

27-2753378

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

THE ORGANIZATION EDUCATES THE PUBLIC ON NATIONAL POLICY AND LEGISLATIVE ISSUES SUCH AS THE NATIONAL DEBT, GOVERNMENT SPENDING PRIORITIES, HEALTH CARE POLICY, IMMIGRATION, ENERGY AND PENSION REFORM. CROSSROADS GPS CONDUCTS PUBLIC EDUCATION THROUGH A WIDE VARIETY OF COMMUNICATIONS CHANNELS, INCLUDING PAID ADVERTISING, STATEMENTS IN NEWS ARTICLES, POLICY INFORMATION ON ITS WEBSITES, AND PUBLICLY RELEASED POLICY STUDIES.

FORM 990, PART VI, SECTION B, LINE 11: ALL BOARD MEMBERS RECEIVE A COPY OF THE FORM 990 BEFORE IT IS FILED WITH THE IRS. DURING THE REVIEW PROCESS THE BOARD DISCUSSES THE FORM 990 WITH ACCOUNTANTS, COUNSEL AND THE CFO.

FORM 990, PART VI, SECTION B, LINE 12C: THE ORGANIZATION'S CONFLICT OF INTEREST POLICY REQUIRES ALL INTERESTED PERSONS TO DISCLOSE ANY POSSIBLE OR ACTUAL CONFLICTS OF INTEREST.

FORM 990, PART VI, SECTION B, LINE 15: OFFICERS' COMPENSATION IS REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION C, LINE 19: UPON REQUEST

FORM 990, PART VII, SECTION A:**COMPENSATION OF OFFICERS**

STEVEN LAW AND MARGEE CLANCY WERE COMPENSATED FOR THEIR ROLES IN THE DAY-TO-DAY OPERATIONS OF THE ORGANIZATION AND NOT AS OFFICERS. MARGEE CLANCY WAS PAID THROUGH MDC & ASSOCIATES AND THE AMOUNT OF HER

Name of the organization

CROSSROADS GRASSROOTS POLICY STRATEGIES

Employer identification number

27-2753378

COMPENSATION WAS \$18,000.

STEVEN LAW WORKS AN AVERAGE OF 12 HOURS PER WEEK FOR THE RELATED ORGANIZATION, AMERICAN CROSSROADS.

14-1100000-14

Schedule R (Form 990) 2011 CROSSROADS GRASSROOTS POLICY STRATEGIES

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

Table with 10 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Direct controlling entity; (e) Predominant income; (f) Share of total income; (g) Share of end-of-year assets; (h) Disproportionate allocations; (i) Code V-UBI amount; (j) General managing partner; (k) Percentage ownership.

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

Table with 8 columns: (a) Name, address, and EIN of related organization; (b) Primary activity; (c) Legal domicile; (d) Direct controlling entity; (e) Type of entity; (f) Share of total income; (g) Share of end-of-year assets; (h) Percentage ownership.

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Sale of assets to related organization(s)

g Purchase of assets from related organization(s)

h Exchange of assets with related organization(s)

i Lease of facilities, equipment, or other assets to related organization(s)

j Lease of facilities, equipment, or other assets from related organization(s)

k Performance of services or membership or fundraising solicitations for related organization(s)

l Performance of services or membership or fundraising solicitations by related organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n Sharing of paid employees with related organization(s)

o Reimbursement paid to related organization(s) for expenses

p Reimbursement paid by related organization(s) for expenses

q Other transfer of cash or property to related organization(s)

r Other transfer of cash or property from related organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (e-r)	(c) Amount involved	(d) Method of determining amount involved	Yes	No
(1)						X
(2)						X
(3)						X
(4)						X
(5)						X
(6)						X

Part VII Supplemental information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Lined area for supplemental information.

1100044000-1710

Depreciation and Amortization 990
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Attachment
Sequence No. 179

Name(s) shown on return

Business or activity to which this form relates

Identifying number

CROSSROADS GRASSROOTS POLICY STRATEGIES FORM 990 PAGE 10

27-2753378

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	500,000.
2	Total cost of section 179 property placed in service (see instructions)	
3	Threshold cost of section 179 property before reduction in limitation	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	
6	(a) Description of property	(b) Cost (business use only)
		(c) Elected cost
7	Listed property. Enter the amount from line 29	7
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction. Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14
15	Property subject to section 168(f)(1) election	15
16	Other depreciation (including ACRS)	16

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	563.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>	

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		22,000.	3 YRS.	MQ	200DB	1,222.
b 5-year property		630.	5 YRS.	MQ	200DB	104.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	1,889.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23

160446344

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--------------------------------------------------	-------------------------------------	--------------------------------------------------	-------------------------------	--------------------------------------------------------------------	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		%				S/L -		
		%				S/L -		
		%				S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No										
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
-----------------------------	------------------------------------	------------------------------	------------------------	---------------------------------------------	--------------------------------------

42 Amortization of costs that begins during your 2011 tax year:

43 Amortization of costs that began before your 2011 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44

Exhibit E

160444001-0

Additional Details Regarding Crossroads GPS Activities

1. www.wikicountability.org / Freedom of Information Act

Crossroads GPS uses the Freedom of Information Act (FOIA) to gain access to information regarding the policies and actions of the Executive Branch. All documents obtained by Crossroads GPS in response to its FOIA requests are made public at www.wikicountability.org (described in more detail below).

For example, on February 17, 2011, Crossroads GPS filed a FOIA request seeking “any and all cost benefit analyses created by or for the Federal Railroad Administration related to the construction of a national high-speed and intercity passenger rail network, including but not limited to the \$53 billion proposed spending for high speed rail development, the Corcoran-Borden high-speed rail project, the Orlando-Tampa high speed rail project, the Los Angeles-San Francisco high-speed rail project, or the Northeast corridor high-speed rail project, and including any abstracts or summaries of such analyses.” Crossroads GPS received responsive documents on May 16, 2011, which were subsequently posted on www.wikicountability.org.

Wikicountability.org was launched on March 23, 2011, and is designed to crowd-source information obtained from Freedom of Information Act (FOIA) requests by organizations, individuals and journalists. The wiki site facilitates efficient sharing of public information about the Administration, and also spotlights perceived violations of the FOIA law by executive branch agencies. Individuals and groups that have FOIA requests and responses can upload their documents onto Wikicountability.org, thereby creating a national repository and clearinghouse of information concerning Executive Branch operations.

On March 23, 2011, a law firm representing Crossroads GPS filed a lawsuit against the U.S. Department of Health and Human Services (HHS) in the United States District Court for the District of Columbia, over the department’s repeated failure to comply with the Freedom of Information Act requests by providing information about the department’s granting of waivers from the Patient Protection and Affordable Health Act (more commonly known to everyone as “Obamacare”).

In September 2011, Crossroads GPS submitted a FOIA request to obtain information about the Administration’s involvement with the “green energy” company Solyndra, which received federal government funding.

2. Legislative Endorsements and Policy Commentary

Crossroads GPS's New Majority Agenda includes extensive legislation and policy endorsements. *See Exhibit C.* Prior to the deployment of the New Majority Agenda program, Crossroads GPS issued endorsements to spotlight especially important issues. For example, on March 8, 2012, Crossroads GPS endorsed the Hoeven Amendment (#1537), which would speed construction of the Keystone XL pipeline. The previous year, on July 19, 2011, Crossroads GPS endorsed H.R. 2560, the Cut, Cap, and Balance Act of 2011.

Crossroads GPS also closely tracks and regularly provides comment on all manner of regulatory activities, policy proposals, and other current events. For instance:

- On August 31, 2011, Crossroads GPS issued a public statement on the Administration's motion to block AT&T's acquisition of T-Mobile USA Inc., questioning how the move would help create jobs in the United States.
- On September 2, 2011, Crossroads GPS issued a public statement on the Environmental Protection Agency's (EPA) withdrawal of its ozone rulemaking
- On September 27, 2011, Crossroads GPS issued a statement asking the President to discuss his recent proposal to end the tax deductibility of state and local municipal bonds for large numbers of bond holders at a scheduled visit to a Denver, Colorado school whose district would be impacted by proposed tax law change.
- On October 7, 2011, and on November 4, 2011, Crossroads GPS issued statements addressing the Department of Labor's release of new job numbers.
- On January 4, 2012, Crossroads GPS issued a statement on the President's recess appointment of Richard Corday to the Consumer Financial Protection Bureau.
- On January 13, 2012, Crossroads GPS issued a statement urging the President to approve the Keystone XL pipeline as soon as possible.
- On January 26, 2012, Crossroads GPS issued a statement opposing the National Labor Relations Board's plan to force employers to provide the email address and telephone numbers of non-union employees to labor unions.
- On February 14, 2012, Crossroads GPS issued a statement regarding a provision of the White House's Fiscal Year 2013 budget that limits the charitable tax deduction available to some taxpayers.
- On February 23, 2012, Crossroads GPS issued a statement in response in the President's speech on energy policy.
- On June 4, 2012, Crossroads GPS called on the U.S. Senate to act on the more than 30 jobs-related bills passed by the U.S. House, and noted that Crossroads GPS has endorsed many of these bills in its New Majority Agenda.

- On June 25, 2012, Crossroads GPS announced its support for “the bipartisan Startup Act recently introduced by Democratic Senators Mark Warner and Chris Coons, along with Republican Senators Jerry Moran and Marco Rubio,” and noted that “[t]he Startup Act also contains smart changes to tax and regulatory policies that are consistent with the economic approach urged by Crossroads GPS in the New Majority Agenda.”

3. Provide citizens with tools to contact their elected representatives to voice their opinions on important matters of policy

- Crossroads GPS developed the “No More Blank Checks” website (www.NoMoreBlankChecks.com) to serve as a destination for persons who wish to learn more about fiscal issues and policy, including federal government spending, unemployment, job creation and growth, taxes, and the national debt. Concerned citizens can use the website to contact their elected representatives either by phone or email.
- Crossroads GPS’s New Majority Agenda webpages include links for citizens to “Take Action” by visiting the Grassroots Action Center, where visitors can use provided templates to contact their elected representatives to urge them to support each of the New Majority Agenda’s legislative and policy positions.

4. Provide grants to support other Section 501(c)(4) organizations with complementary missions

Crossroads GPS makes grants to other section 501(c)(4) organizations (and one section 501(c)(6) organization) that have missions that complement the mission of Crossroads GPS. These grants enable other organizations to expand their existing exempt-function, social welfare-related, program service outreach efforts. Building an effective, national web of grassroots organizations is a vital part of Crossroads GPS’s mission.

Crossroads GPS carefully evaluates the missions and activities of recipient organizations prior to making any grants to ensure that funds are used for appropriate Section 501(c)(4)- and 501(c)(6)-related purposes. Grants are accompanied by a letter of transmittal stating that the funds are to be used only for tax-exempt function purposes of the grantee organization and not to be used in connection with any political or non-exempt activity.

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\$15,910,000, for the period June 1, 2010, through December 31, 2011, was expended on grants to other organizations. The amount expended through grants represents approximately 24.6% of organizational disbursements for 2010-2011.

5. "Issue Directions" Email Series

In late October 2011, Crossroads GPS began distributing its "Issue Directions" email series to supporters. See attached.

6. Executive Branch Policy Forum

On February 14, 2012, Crossroads GPS and American Action Network co-hosted an Executive Branch policy forum titled, "How Does the Executive Branch's Abuse of Power Threaten Our Economy?" The forum included speeches by Sen. Orrin Hatch, Rep. Peter Roskam, and former Sen. Norm Coleman. Two panel discussions were also held. The first panel discussed "The Growth of Executive Power Since 2009," and was moderated by Crossroads GPS President and CEO Steven Law, and included former Attorney General Edwin Meese and former Ambassador C. Boyden Gray. The second panel discussed "The Economic Impact of Overreach," and was moderated by American Action Forum President Douglas Holtz-Eakin, and included Randy Johnson of the Chamber of Commerce and Diana Furchtgott-Roth of the Manhattan Institute.

This forum was accompanied by an op-ed in *The Hill*. See Steven Law and Douglas Holtz-Eakin in [The Hill](#), February 14, 2012: *Obama's overreach burdens U.S. recovery*.

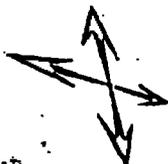
7. "Obamacare: Then and Now" Forum

On July 10, 2012, Crossroads GPS and the American Action Network today hosted "ObamaCare: Then and Now," an event which discussed the future of health care after the Supreme Court's recent decision on the ObamaCare law. Nearly 100 people attended the event which featured two panels of health care policy experts and lawmakers, including Senator John Barrasso, M.D. and Congressman Tom Price, M.D. The discussion addressed the importance of repealing President Obama's health care takeover and replacing it with commonsense, practical solutions to provide the quality health care Americans need and deserve.

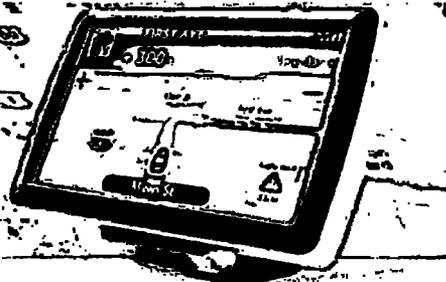
In connection with the event, Crossroads GPS also launched a new section on its website called "Health Care Facts," which outlines the problems with ObamaCare and offers policy ideas to provide Americans with the type of health care they want and need.

From: Issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Wednesday, October 26, 2011 3:46 PM
To: [REDACTED]
Subject: Crossroads GPS Urges Passage of H.R. 674

To view this email as a web page, go [here](#).



Crossroads GPS Issue Directions



Crossroads Grassroots Policy Strategies (GPS) urges a "yes" vote on H.R. 674 when it is considered in the House of Representatives this week. This bill would repeal the requirement that federal, state, and local governments begin withholding 3 percent on invoices when those governments buy most goods and services.

If this requirement is allowed to go into effect as scheduled, the withholding requirement will drain productive capital out of the economy, impose needless administrative burdens on all levels of government, and cost jobs by hindering our economic recovery. Passing H.R. 674 will put money in the hands of America's job creators so they can invest and grow and hire Americans who are looking for work. Our economy is better off with private citizens empowered to make their own purchasing and investing decisions, rather than having government absorb more and more of our resources.

There is widespread recognition that repealing this withholding requirement will benefit the economy. State and local governments support repeal, as does a broad coalition of job-heavy businesses nationwide. H.R. 674 has 269 cosponsors and was passed out of the House Ways & Means Committee on a voice vote. Indeed, even President Obama's stimulus package would delay the requirement.

Finally, as a needed response to widespread public anxiety over our nation's economic future, passing H.R. 674 would show the American citizens that Members of Congress can put partisanship aside and advance a commonsense measure that will aid our economic recovery. Crossroads GPS supports that goal and urges quick passage of this legislation.

Steven J. Duffield
Policy Director
Crossroads GPS

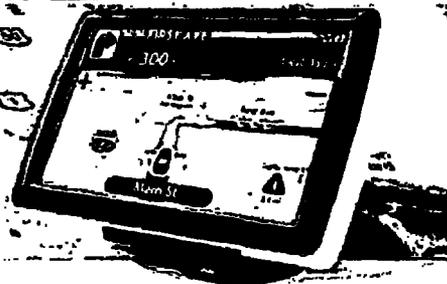
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From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Wednesday, November 09, 2011 6:01 PM
To: [REDACTED]
Subject: Crossroads GPS Urges Passage of S.J. Res. 6 and S.J. Res. 27

To view this email as a web page, go [here](#).



CrossroadsGPS Issue Directions



Crossroads Grassroots Policy Strategies (GPS) is urging "yes" votes on **S.J. Res. 6** ("net neutrality") and **S.J. Res. 27** ("cross-state pollution") when the Senate considers each measure on Thursday, November 10.

These resolutions would essentially block regulatory overreaching by the Obama Administration that would cost American jobs and empower government bureaucrats at the expense of job creators. As President Obama has signaled his intention to go over the heads of the legislative branch to exert government control over broad swaths of free enterprise, it is essential that Congress assert its legislative and constitutional prerogatives by opposing such regulations.

S.J. Res. 6 would disapprove the Federal Communications Commission's "net neutrality" rule that is designed to regulate the Internet and the practices of the broadband industry. The FCC's rules will stifle innovation and make it more difficult for American entrepreneurs to grow and create jobs, while giving Washington regulators the power to micromanage this transformative sector of our economy. The Internet has flourished as a force for freedom in large measure because the federal government has played a relatively small role in terms of regulation. The Obama Administration's "net neutrality" regulations would put government at its center, and this counterproductive, Washington-centric approach must be rejected.

S.J. Res. 27 would disapprove the Environmental Protection Agency's rule relating to air pollution that migrates over state lines, requiring 28 states and the District of Columbia to reduce power plant emissions. The most immediate effect of this new requirement will be to force the closing of coal-fired power plants and the destruction of American jobs. Moreover, even the EPA admits that the rule will increase national electricity prices. This is yet another example of this Administration's assault on American coal and indifference to the economic effects of its ideological agenda. It is essential that Congress put the brakes on an out-of-control EPA and protect the jobs and pocketbooks of American citizens.

Crossroads GPS strongly supports congressional efforts to rein in the Obama Administration's aggressive regulatory agenda. Passing these resolutions of disapproval also will be a positive first step toward greater accountability.

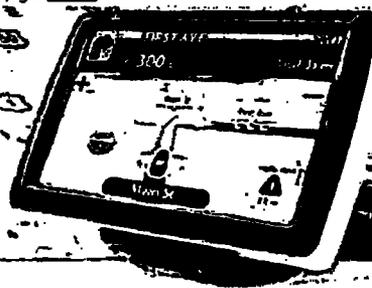
Steven J. Duffield
 Policy Director
 Crossroads GPS

From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Wednesday, November 30, 2011 7:16 PM
To: [REDACTED]
Subject: Crossroads GPS Urges Congressional Action against Obama "Ambush Election" Rule

To view this email as a web page, go [here](#).



CrossroadsGPS Issue Directions



Crossroads GPS Urges Congressional Action against Obama "Ambush Election" Rule

Pro-Union Rule Will Promote Back-Door "Card Check" Organizing

Crossroads GPS president and former deputy secretary of labor Steven Law called on Congress to undo the Obama Administration's unprecedented labor law change to allow "ambush elections" in union certification drives. This rules change was rammed through today by a partisan faction of the National Labor Relations Board.

The new "ambush election" rule is designed to minimize the gap between coercive "card check" organizing - which was rejected on a bipartisan basis by Congress two years ago - and virtually instantaneous ballot elections. This will enable unions to use card check organizing and demand elections while limiting the ability of employers to communicate with their workers. The rule also restricts the rights of workers and employers to raise issues of union misconduct and fraud prior to a binding election.

Crossroads GPS believes that employees should have an opportunity to hear all sides of the unionization issue and make informed decisions as to whether they want to unionize. No employee should be forced into such a vote without full information, and no employer should be denied the opportunity to share its perspective with its own workers. Thus, the new Obama Administration rule is simultaneously anti-worker and anti-employer - while the only winners are the union bosses who will return the favor by spending hundreds of millions of dollars of workers' hard-earned wages on politics.

Crossroads GPS joins other pro-worker and pro-employer groups in urging Congress to oppose the Obama Administration's latest assault on job creators and economic recovery. In the months ahead, Crossroads GPS will add its voice to others in urging Members of Congress to stand for jobs and growth instead of President Obama's relentless regulatory attack on our economy.

For further information, please contact Steven Duffield, policy director for Crossroads GPS, at sduffield@crossroadsgps.org.

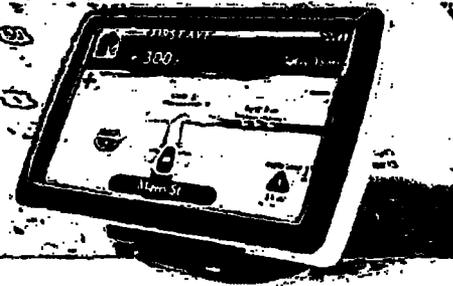
16044464160

From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Friday, December 16, 2011 4:47 PM
To: [REDACTED]
Subject: Crossroads GPS Supports Immediate Action on Keystone XL

To view this email as a web page, go [here](#).



Crossroads **GPS** Issue Directions



Crossroads GPS is urging all Members of Congress to stand with House Speaker John Boehner and Senate Minority Leader Mitch McConnell in their call for the end-of-year "tax extender" bill to include language that will accelerate the construction of the Keystone XL pipeline.

The 1,700 mile Keystone XL pipeline will bring more than 700,000 barrels of oil from Canada to the U.S. Gulf Coast every day. Some analysts estimate that as many as 20,000 direct jobs and 118,000 spin-off jobs will be generated by the approval of this project, and others note that the unemployment rate in some of the relevant trades are as high as 20-25 percent. There is no excuse for Congress to leave town without ensuring that this project advances.

The Administration's opposition to moving forward on Keystone XL flies in the face of its bipartisan and diverse support, especially from labor organizations. For example, Mark Ayers of the AFL-CIO has said that "it is America's workers who are clamoring for the expedited approval of this important project." And James Hoffa of the International Brotherhood of the Teamsters has argued that Keystone XL offers "working men and women a real chance to earn a good wage and support their families."

The simple, inexcusable truth, acknowledged by nearly all analysts following the issue, is that the Obama Administration delayed the Keystone XL permit because of politics. Terrence O'Sullivan, president of the Laborers International Union of America, put it best when he said that politics won and jobs lost out.

It is now up to Congress to put a stop to these unjustified delays and ensure that the government gets out of the way of the high-quality jobs and economic growth that Keystone XL's construction will produce.

For further information, please contact Steven Duffield, Vice President for Policy at Crossroads GPS, at sduffield@crossroadsgps.org.

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Paid for by Crossroads GPS, www.crossroadsgps.org

This email was sent to [REDACTED]

This email was sent by: Crossroads GPS

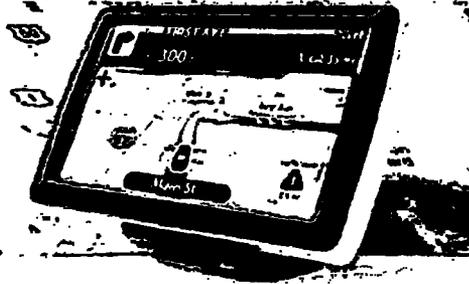
16047461191

From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Wednesday, January 04, 2012 2:36 PM
To: [REDACTED]
Subject: Crossroads GPS Opposes Cordray Recess Appointment

To view this email as a web page, go [here](#).



CrossroadsGPS Issue Directions



Crossroads GPS strongly opposes President Obama's constitutionally dubious appointment of Richard Cordray to serve as director of the Consumer Financial Protection Bureau (CFPB) and urges Congress to take all necessary steps to reverse the president's power grab.

President Obama nominated Mr. Cordray last summer, but the nomination failed to advance in the Senate because he lacked sufficient support. Conservative Senators objected to the nomination because, as Senator Richard Shelby explained, it would be wrong to give "unfettered authority over thousands of American businesses" to a single director. Instead, senators sought to give the CFPB the same kind of accountability that other financial regulators have so that an unelected bureaucracy could be kept in check. Senators urged the president to work with them to provide the proper transparency, but President Obama chose to empower a single bureaucrat rather than modify the law to protect the American people.

This appointment, made during a brief recess of the Senate, also subverts decades of constitutional understanding, as appropriately defined and understood by the executive and legislative branches of government. Democrat and Republican Senators alike long have agreed that the Constitution does not permit this kind of appointment during a short Senate recess, which is why no president has attempted such a reckless power grab in more than sixty years. As recently as 2007-2009, President George W. Bush rebuffed calls that he make recess appointments during short recesses such as the one in effect today. It is dismaying that the president would ignore the considered constitutional judgments that past presidents have long respected.

A responsible and prudent path would have been to negotiate a solution to the impasse with senators of both parties rather than to attack the balance of power between the branches and throw out decades of constitutional precedent. That President Obama chose to place his personal considerations ahead of the Constitution itself is a bad omen for the remainder of the 2012 legislative agenda.

For more information, please contact Steven Duffield, Vice President for Policy, at sduffield@crossroadsgps.org.

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This email was sent to: [REDACTED]

1000444000

From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Thursday, January 26, 2012 6:16 PM
To: [REDACTED]
Subject: NLRB Poised to Violate Workers' Privacy to Promote More Unions

To view this email as a web page, go [here](#).



Crossroads GPS strongly opposes the National Labor Relations Board's plan to force employers to provide the email addresses and telephone numbers of non-union employees to labor unions to allow organizers to harass workers about unionizing. The NLRB's latest union-boosting measure would be an unwelcome violation of employee privacy and should be rejected.

Under 43-year old NLRB precedent, employers must provide their employees' home mailing addresses only when a union organizing election has been scheduled. In June 2011, the NLRB proposed a rule to require the disclosure of e-mail addresses and telephone numbers as well. In an [interview with the Associated Press yesterday](#), President Obama's hand-picked NLRB Chairman, Mark Pearce, said that he would renew his push for this new rule.

Crossroads GPS opposes this further intrusion into American workers' privacy. The rule would require employers to turn over their private information without regard to whether workers consented to the disclosure. This would violate core principles of disclosure and consent that, for example, prompted Congress to create the [enormously-popular Do Not Call List](#). Americans do not want to be harassed on the phone, by email and at home. Indeed, the U.S. Supreme Court has said, "Many people simply do not want to be disturbed at home by work-related matters." United States Department of Defense v. FLRA, 510 U.S. 487, 501 (1994).

Current law is more than adequate to enable unions to communicate with employees without violating their privacy. Unions can send employees mail, set up websites, use social media such as Facebook and Twitter, and engage in a wide variety of advocacy tactics that respect individual autonomy. Technology gives unions far more opportunities to communicate with employees during an election period than ever before, but the spread of technology need not strip Americans of their personal privacy. That means unions shouldn't be empowered to phone employees against their will, spam them with unsolicited emails, and force them to receive (and possibly pay for) unwelcome text messages.

The risk that this rule will cause Americans to be harassed in their homes is especially poignant given the widespread [evidence of corruption](#) in certain unions. Non-union employees can justifiably fear that union advocates will misuse their private information, but under the NLRB's rule, they would have no right to opt out of such invasive, government-mandated data-sharing.

The NLRB, already operating with a constitutionally-questionable quorum due to President Obama's "recess" appointment fiasco, should shelve this effort immediately. And if they don't, Congress needs to step in to protect the personal privacy rights of workers and their families.

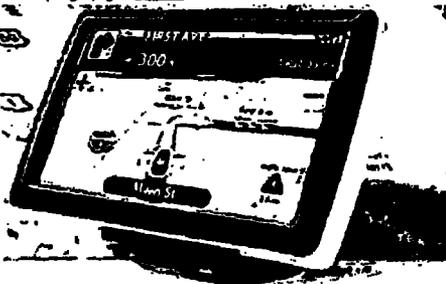
For more information, please contact Steven Duffield, Vice President for Policy at Crossroads GPS, at sduffield@crossroadsgps.org.

From: issuedirections Issuedirections [issuedirections@crossroadsgps.org]
Sent: Thursday, January 12, 2012 6:16 PM
To: [REDACTED]
Subject: President should stop delaying on Keystone XL approval

To view this email as a web page, go [here](#).



CrossroadsGPS
Issue Directions



Crossroads GPS joins the more than 100 business organizations who this week wrote to President Obama to urge him to approve the Keystone XL pipeline as soon as possible.

In December 2011, Crossroads GPS called on all Members of Congress to stand with House Speaker John Boehner and Senate Minority Leader Mitch McConnell in their call for the end-of-year "tax extender" bill to include language to accelerate the construction of the Keystone XL pipeline. Crossroads GPS was pleased to see that Congress subsequently included a provision to do exactly that, and now the question is on President Obama's desk once again.

The case for approval is clear. The 1,700 mile pipeline's construction will produce as many as 20,000 high quality direct jobs in the next two years, along with tens of thousands of additional jobs in related industries. Moreover, it will bring more than 700,000 barrels of oil from Canada to the U.S. Gulf Coast every day, further deepening our relationship with the nation's largest trading partner.

Continued delay would be inexcusable. Environmental questions have been asked and answered by the State Department, which concluded that the project would be far safer than domestic pipelines. Some object that the final route has not been decided, but the recent law passed by Congress (and signed by the president) makes clear that the State Department will have the necessary time to make that determination. The State Department already has conducted a thorough vetting of public opinion, and the states most immediately impacted are ready to proceed.

Many analysts have argued that President Obama is dithering because of objections from segments of the environmental movement. Those activists do not seriously challenge the State Department's conclusion that the pipeline would be safe. Instead, they ask the president to block American economic development in order to discourage Canada from developing their rich oil sands market. The president should reject these arguments, not only in the interest of our economic security, but because Canada has the sovereign power to develop its natural resources and will do so whether we build the pipeline or not. If the president bows to the environmental activists, this enormous supply of oil would be put on ships and sent to China instead.

American business recognizes the wisdom of approving this pipeline, and so does American labor. Will our nation's economic future really be hamstrung by a president who would rather kowtow to the ideological preferences of a cadre of environmental activists? Crossroads GPS urges the president to put the nation's interests first and to approve the pipeline immediately so that Americans can get back to work.

For more information, contact Steven Duffield, Vice President for Policy, at sduffield@crossroadsgps.org.

From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Friday, January 27, 2012 5:06 PM
To: [REDACTED]
Subject: Fox News Exposes NLRB Invasion of Workers' Privacy

To view this email as a web page, go [here](#).



Yesterday Crossroads GPS announced its strong opposition to the National Labor Relations Board's renewed effort to force employers to violate their employees' privacy by giving big labor unions - including those with a history of financial misconduct and organized crime influence - their private e-mail addresses and telephone numbers.

Fox News today ran an in-depth segment following up on the NLRB rulemaking, which can be viewed at [this link](#). The segment notes that this move by the NLRB is part of a broader pattern of executive overreach by the Obama Administration. Stay tuned for more activity by Crossroads GPS on executive branch overreaching.

The Crossroads GPS analysis of the NLRB's attack on workers' privacy is [available here](#). If you have questions, please contact Steven Duffield, Vice President for Policy, at sduffield@crossroadsgps.org.

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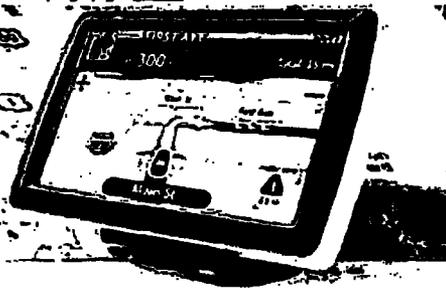
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From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Monday, January 30, 2012 5:00 PM
To: [REDACTED]
Subject: Politico Op-Ed on New Majority Agenda

To view this email as a web page, go [here](#).



CrossroadsGPS Issue Directions



On Friday, *Politico* published an op-ed penned by Crossroads GPS president and chief executive officer Steven Law.

The op-ed shared the results of public policy survey research conducted by Crossroads GPS, which found strong support for commonsense measures such as keeping taxes low, getting the government's fiscal house in order, and restraining the Obama administration's regulatory attacks on business.

The op-ed also outlined Crossroads GPS's [New Majority Agenda](#) for 2012-2013: a "roadmap to recovery" that gets broad support from Americans who are concerned about our struggling economy.

Read the op-ed [at this link](#) and follow the progress of the New Majority Agenda on our website at www.crossroadsgps.org.

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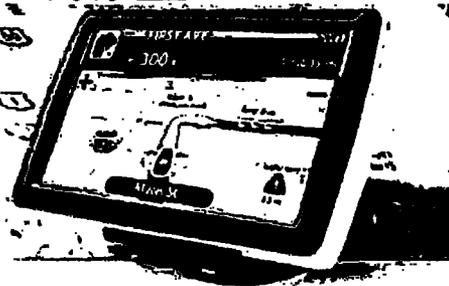
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From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Tuesday, February 07, 2012 11:11 AM
To: [REDACTED]
Subject: American Action Network and Crossroads GPS Host Executive Power Event

To view this email as a web page, go [here](#).



CrossroadsGPS
Issue Directions



AMERICAN ACTION NETWORK AND CROSSROADS GPS HOST EXECUTIVE POWER EVENT

How Does the Executive Branch's Abuse of Power Threaten Our Economy?

The American Action Network and Crossroads GPS invite you to an event titled "How Does the Executive Branch's Abuse of Power Threaten Our Economy?" to discuss the unprecedented expansion of executive power during the past three years. This event will feature speeches from Senator Orrin Hatch of Utah, Representative Peter Roskam of Illinois, and panel discussions with former senior government officials and economic experts. You may RSVP to the event [here](#).

Since 2009, this administration has taken every opportunity to assert control over the economy and force policy changes without regard to constitutionally prescribed checks and balances. Whether abusing the regulatory process to impose politically useful changes or ignoring the Constitution with non-recess "recess appointments," the growing arrogance of the executive branch threatens our economic prosperity.

The event will begin promptly at 8:45 am with continental breakfast and will include speeches by Sen. Orrin Hatch of Utah, Rep. Peter Roskam of Illinois, and former Sen. Norm Coleman of Minnesota, Chairman of the American Action Network.

The event will also include two panel discussions. Steven J. Law, President of Crossroads GPS and former Deputy Secretary of Labor, will moderate the first panel: "The Growth of Executive Power Since 2009," and will be joined by former U.S. Attorney General Ed Meese and former Ambassador C. Boyden Gray. A second panel titled "The Economic Impact of Overreach" will feature a discussion moderated by American Action Forum President and former Congressional Budget Office Director Douglas Holtz-Eakin with panelists Randy Johnson of the Chamber of Commerce and economist Diana Furchgott-Roth of the Manhattan Institute.

WHAT: How Does the Executive Branch's Abuse of Power Threaten Our Economy?

WHEN: 8:45 am - 12 pm on Tuesday, February 14, 2012

WHERE: The W Hotel 515 15th St, NW, Altitude Ballroom
 Washington, DC

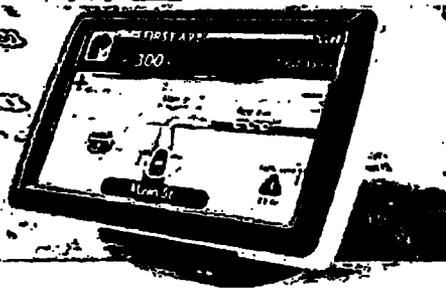
RSVP: [RSVP here](#)

From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Tuesday, February 14, 2012 5:24 PM
To: [REDACTED]
Subject: Obama's Overreach Burdens U.S. Recovery

To view this email as a web page, go [here](#).



**CrossroadsGPS
Issue Directions**



Thanks to everyone who attended today's Crossroads GPS/American Action Network conference on the Obama Administration's expansion of executive power and its impact on the economy and jobs.

The conference, which is viewable at [this site](#), featured presentations by Sen. Orrin Hatch, Rep. Peter Roskam, former Attorney Gen. Ed Meese, former Ambassador C. Boyden Gray, former Senator Norm Coleman, and others.

The event focused especially on the Obama Administration's overreaching on energy development, financial services regulation, union-boosting labor rules and health care.

You may also find interesting the op-ed by American Action Forum president Doug Holtz-Eakin and Crossroads GPS president Steven Law, published today in *The Hill* on the same topic, which is copied below.

Obama's overreach burdens U.S. recovery

By Douglas Holtz-Eakin, American Action Forum and Steven Law, Crossroads GPS

The Hill

February 14, 2012

"If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it." Barack Obama was just 25 when President Ronald Reagan uttered those memorable words, but he evidently took them literally. President Obama has set a new standard for boundless government hyperactivity: taxing job creators, over-regulating domestic energy, and subsidizing economic failures like Solyndra.

When Democrats controlled Congress, President Obama grew government the old-fashioned way. He raised taxes on tanning beds, medicine and medical devices as a warm up, and then turned to the \$500 billion tax hike included in his healthcare bill. These taxes are literally loss leaders compared to his oversized budget plans. With four consecutive years of trillion-dollar deficits, a budget written in red ink for the next decade, and no plan to tame the entitlement juggernaut, the real taxes hikes have yet to arrive.

When his legislative hammerlock was broken, the president moved from taxation to regulation. In Obama's eyes, Congress has changed from a superhighway to a speed-bump. Take, for example, the new head of the Consumer Financial Protection Bureau, Richard Cordray. Lacking the requisite

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votes in the U.S. Senate, President Obama just decided to appoint Cordray while Congress was still in session, trampling on the Senate's advise and consent role.

The president argues that Congress wasn't really in session. If that's true, then Congress didn't really pass the payroll tax holiday extension. But when you're overruling the Constitution, facts and logic are just collateral damage.

And what was Cordray's first major step on the job? Pushing out a massive new regulation that imposes an astonishing 7.7 million paperwork burden hours, according to the administration's own estimates. How much will this cost? The median hourly labor rate for many Dodd-Frank rules is estimated at \$100. So Cordray's new rule will cost \$770 million or more. And who gets hurt? The customers of credit unions and institutions with assets of less than \$10 billion, among others.

Maybe this is President Obama's answer to creating jobs. There are still one million fewer private-sector jobs in America today compared to when Obama took office, no thanks to his tax and regulatory policies. But because of Cordray's new rule, we estimate that roughly 4,000 employees will be needed to comply with its paperwork requirements. This brings a whole new meaning to shovel-ready.

This is just one rule and one particular industry. The aggressive regulatory agenda of Obama's Environmental Protection Agency hit closer to Main Street and factory floors. The EPA recently finalized new rules for coal power plants which even the agency admits could cost 39,000 jobs.

Layoffs are already on the way. First Energy Corporation announced that it plans to close six power plants in Ohio, Maryland, and Pennsylvania. When President Obama visits those states in the fall, he won't be able to blame Congress. His administration took action without a single vote of Congress.

President Obama has exercised unilateral executive power in the labor arena as well. When even a Democrat-run Congress couldn't deliver enough votes to pass union-boosting "Card Check" legislation, his administration began pushing regulations to appease his union base rather than help the U.S. economy. Since last fall his appointees at the National Labor Relations Board have moved briskly on rules giving unions an upper hand in abbreviated representation elections, forcing employers to advertise unions to their workforce, and giving union organizers access to workers' private phone numbers and email addresses. Who benefits? Obama's union allies. Who pays? Job creators and workers who want to be left alone.

The president's political plans don't require a robust healthcare industry, so he taxed and regulated it. They don't include domestic energy producers, so he overregulated fracking, coal and offshore drilling - and shut the door to thousands of good-paying jobs with the Keystone XL pipeline project.

But given the power to target subsidies to friends and supporters, President Obama has been happy to shower his alternative energy fantasies (and investor-donors) with billions of taxpayer dollars. Solyndra didn't "move," so he subsidized it. Now, Solyndra and other "green energy" business schemes aren't moving at all, much like the U.S. economy.

Tax, regulate, and subsidize - that's how you grow government, not the economy. And for that, President Obama has only himself to blame.

Law is president of Crossroads GPS and Holtz-Eakin is president of American Action Forum.

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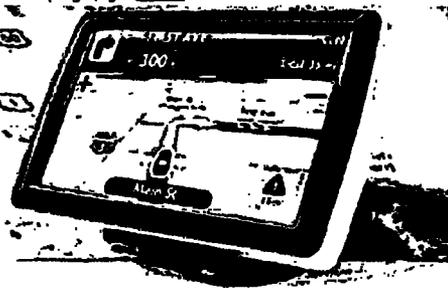
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From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Thursday, March 08, 2012 12:02 PM
To: [REDACTED]
Subject: Crossroads GPS Urges Senate to Support Immediate Construction of Keystone XL Pipeline

To view this email as a web page, go [here](#).



Crossroads GPS Issue Directions



Crossroads GPS is urging all senators to support American jobs by voting "yes" on the Hoenen Amendment (#1537), which would expedite the construction of the Keystone XL Pipeline, and to vote "no" on the Wyden Amendment (#1817), which could delay and even kill the pipeline project altogether, when each is considered by the U.S. Senate later today.

The Hoenen Amendment supports American jobs by expediting the construction of the Keystone XL Pipeline so that construction can begin immediately, subject to the environmental report completed by the State Department, and with all other environmental standards and protections remaining in place. (A special environmental study would occur in Nebraska before construction could commence there.) Senators supporting new energy production, high-quality jobs, and American industry should vote "yes" on Sen. Hoenen's amendment (#1537).

Opponents of the Keystone XL pipeline have crafted an amendment to be offered by Sen. Wyden as a "cover vote" for those senators who oppose the pipeline's construction but want to pretend otherwise. The Wyden Amendment would insert yet more statutory delays, place impossible-to-implement, politically-driven burdens on the use of the petroleum flowing through the pipeline, and put new restrictions on the pipeline construction contracting process that may make the project cost-prohibitive. The Wyden Amendment, in other words, is designed to thwart the Keystone XL project, not expedite its construction. Senators should vote "no" on Sen. Wyden amendment (#1817).

The 1,700-mile Keystone XL pipeline will bring more than 700,000 barrels of oil from Canada to the U.S. Gulf Coast every day. Some analysts estimate that as many as 20,000 direct jobs and 118,000 spin-off jobs will be generated by the approval of this project, and others note that the unemployment rates in some of the relevant trades are as high as 20-25 percent. Environmental questions have been asked and answered by the State Department, which concluded that the project would be far safer than domestic pipelines.

It is also important to remember that the Obama-led foot-dragging on Keystone XL flies in the face of its bipartisan and diverse support, especially from labor organizations. For example, Mark Ayers of the AFL-CIO has said that "it is America's workers who are clamoring for the expedited approval of this important project." And James Hoffa of the International Brotherhood of the Teamsters has argued that Keystone XL offers "working men and women a real chance to earn a good wage and support their families."

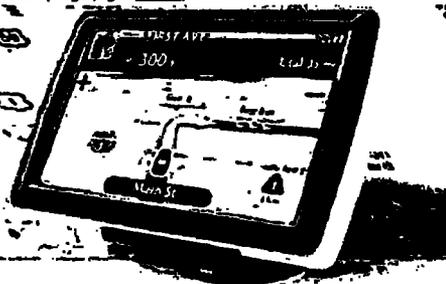
For further information, please contact Steven Duffield, Vice President for Policy at Crossroads GPS, at sduffield@crossroadsgps.org.

From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Tuesday, March 13, 2012 1:55 PM
To: [REDACTED]
Subject: Crossroads GPS Urges Senate to Pass H.R. 3606, the JOBS Act

To view this email as a web page, go [here](#).



CrossroadsGPS
Issue Directions



Crossroads GPS urges all senators to vote "yes" on H.R. 3606, the Jumpstart Our Business Startups ("JOBS") Act, when Senate Majority Leader Harry Reid ceases his delaying tactics and schedules a vote. With House Republican leaders having persuaded President Obama to support the bill, this is a pro-growth bill that should be law by the end of the week.

The JOBS bill will improve small businesses' access to capital and help entrepreneurs innovate and grow. The bill facilitates that growth by updating outdated regulations and expanding equity financing options so that small businesses will not have to rely so heavily on debt and can instead reach new investors. There is no reason why our nation's innovators should continue to be thwarted in their efforts to grow, add jobs, and expand opportunity. The JOBS bill is a modest but important step in removing some of the regulatory underbrush that is slowing down this economy.

Amazingly, Majority Leader Reid is effectively filibustering the JOBS bill by prioritizing 17 judicial nominations over the well-being of the nation's small businesses. His decision yesterday to schedule lengthy debates on these nominations, despite the lack of any meaningful slowdown in confirmations, is a clear signal to the nation's entrepreneurs about where congressional Democrats' priorities are. As one New York Times reporter explained, this scheduling decision by Sen. Reid could "eat up weeks of floor time." Moreover, rather than bringing up the House-passed bill that is ready for the President's signature, Sen. Reid instead may further delay the bill by offering a separate Senate measure and engaging in an amendment process that will do little to create jobs. This gamesmanship appears designed to do little more than prevent the House-passed bill - a bill that passed 390-23 - from getting to President Obama's desk in a timely manner.

For more information, please contact Steven Duffield, Vice President for Policy, at sduffield@crossroadsgps.org.

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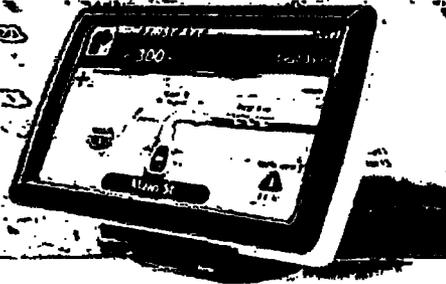
To: [REDACTED]

Subject: New Crossroads GPS Ad Push for "Restoring America's Energy Leadership"

To view this email as a web page, go [here](#).



CrossroadsGPS
Issue Directions



Crossroads Grassroots Policy Strategies (GPS) today launched a new national advocacy effort promoting American energy leadership as part of its "New Majority Agenda."

The effort starts with a new ad, viewable [here](#), which critiques the Obama Administration's restrictions on American energy development, warning that "bad energy policy means energy prices we can't afford." The ad is being run heavily on national cable and in media markets where President Obama is discussing energy policy this week.

The national ad effort is amplified by online/social media activity, including a two-minute web video on energy policy, viewable [here](#), which provides greater detail on the Obama Administration's actions and the need to change course.

Crossroads GPS urges action on numerous bills already passed by the U.S. House on a bipartisan basis, which would immediately enhance American energy development for the benefit of consumers and the economy. Among those bills are the following:

- H.R. 1229, the Putting the Gulf of Mexico Back to Work Act, which passed 263-163
- H.R. 1230, the American Offshore Leasing Now Act, which passed 266-149
- H.R. 1231, the Reversing President Obama's Offshore Moratorium Act, which passed 243-

179

- H.R. 2021, the Jobs and Energy Permitting Act, which passed 253-166
- H.R. 1938, the North American-Made Energy Security Act (Keystone XL), which passed 279-147
- H.R. 3408, the Protecting Investment in Oil Shale the Next Generation of Environmental, Energy, and Resource Security ("PIONEERS") Act, which passed 237-187.

For more information, please take a look at Crossroads GPS' "New Majority Agenda" and contact Steven Duffield, Vice President for Policy, at sduffield@crossroadsgps.org.

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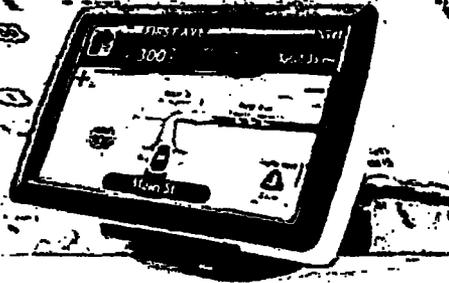
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From: issuedirections issuedirections [issuedirections@crossroadsgps.org]
Sent: Monday, April 23, 2012 6:22 PM
To: [REDACTED]
Subject: Crossroads GPS Urges Vote to Disapprove "Ambush Election" Rule

To view this email as a web page, go [here](#).



CrossroadsGPS Issue Directions



Crossroads GPS urges all senators to vote "yes" on S.J. 36, the Congressional Review Act resolution of disapproval relating to the National Labor Relations Board's "ambush elections" rule, when the Senate considers it this week.

The NLRB forced through the "ambush election" rule last year as part of an effort to impose President Obama's discredited "card check" legislation through administrative rulings. This new rule would dramatically accelerate the timeline for union organizing elections, allowing unions to demand quick elections after engaging in months of back-door organizing efforts. The practical effect, as NLRB Board member Brian Hayes wrote in opposition to the rule, would be to "eviscerate an employer's legitimate opportunity to express its views about collective bargaining." The rule will have an acute impact on small businesses that typically have limited access to expert legal counsel in such short time frames.

Crossroads GPS believes that employees should have every opportunity to hear all sides of the unionization issue and make informed decisions as to whether to unionize. No employee should be forced to vote without full information, and no employer should be denied the opportunity to speak. The Obama endorsed NLRB rule has the unenviable status of being both anti-worker and anti-employer, with the only "winners" being the union bosses.

Crossroads GPS first called on Congress to reverse this rule in November 2011. This February, Crossroads GPS sponsored a special conference regarding this administration's executive overreach, an event that the New York Times mentioned in this morning's [lead story on President Obama's "unilateralist strategy"](#) towards policymaking. The "ambush election" rule is central to President Obama's "We Can't Wait" sloganeering and his rush to impose his preferred policies without regard to the views of the people's elected representatives in Congress. Crossroads GPS believes that this public relations-driven approach will lead to bad policy that will hinder our nation's economic recovery.

For more information, contact Steven Duffield, Vice President for Policy for Crossroads GPS, at sduffield@crossroadsgps.org.

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Subject: FW: Crossroads GPS Launches Major Advocacy Push for Expanded New Majority Agenda

From: Issue Directions [mailto:issuedirections@crossroadsgps.org]

Sent: Wednesday, May 16, 2012 5:03 PM

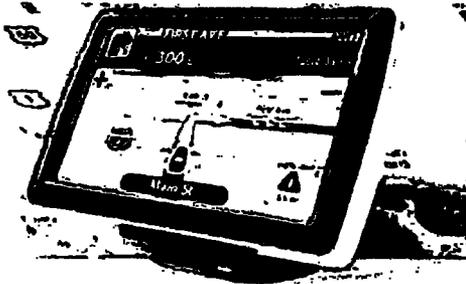
To: [REDACTED]

Subject: Crossroads GPS Launches Major Advocacy Push for Expanded New Majority Agenda

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CrossroadsGPS
Issue Directions



In January, Crossroads GPS launched the New Majority Agenda, a detailed roadmap to economic and national recovery. The New Majority Agenda spotlights six critical policy areas for action by lawmakers: taxes, government spending and debt, health care, energy, regulatory reform, and global leadership.

Today Crossroads GPS is broadening the scope and content of the New Majority Agenda, urging congressional action on numerous specific legislative items pending before the House and Senate. This call to legislative and policy action is being promoted by a \$25 million issue advocacy initiative that will frame the national debate on jobs and the economy, ObamaCare, and the \$15.7 trillion national debt that has been allowed to explode during the Obama Administration.

The first phase of this issue advocacy initiative starts Thursday with a new Crossroads GPS TV ad, available here. "Obama's Promise" examines the Obama Administration's failure to bring about sustained economic growth, tackle the debt crisis, and keep taxes on American families low, and urges the President to support the New Majority Agenda. Network television viewers in Colorado, Florida, Iowa, Michigan, North Carolina, New Hampshire, Nevada, Ohio, Pennsylvania and Virginia will see this issue appeal for the next two weeks.

"We need to capitalize on this moment, when both lawmakers and their constituents are focused on the economy and the impact of President Obama's health care law, to begin a drive for common-sense policy changes that are supported by a broad majority of Americans," said Steven Duffield, Vice President for Policy of Crossroads GPS. "If we want the issues contained in the New Majority Agenda to be acted upon next year, we need to put them front-and-center in the national debate right now."

For more information about the expanded New Majority Agenda, contact Steven Duffield, Vice President for Policy for Crossroads GPS, at sduffield@crossroadsgps.org.

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18044464179

Subject: FW: Crossroads GPS calls on Senate to stop stonewalling House jobs bills

From: Issue Directions [mailto:issuedirections@crossroadsgps.org]

Sent: Monday, June 04, 2012 2:01 PM

To: [REDACTED]

Subject: Crossroads GPS calls on Senate to stop stonewalling House jobs bills

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Last week's dismal jobs report shows that the government-focused economic strategy of President Obama and his congressional allies has failed.

As over 12 million Americans come to the end of another week without a job, and as dark economic clouds form over most of Europe, the time for a realistic, bipartisan growth agenda could not be more urgent.

Crossroads GPS again calls on Congress to embrace the "Road to Recovery" outlined in our New Majority Agenda. A down payment on that agenda would be for Senate liberals - led by Harry Reid and Chuck Schumer - to end their destructive stonewall of numerous job-creating bills passed by the House of Representatives.

The main takeaway from last week's jobs report - an increase in the unemployment rate to 8.2% -- is bad enough. But a deeper dive into the jobs report should give all Americans even greater cause for alarm.

Consider:

- Job creation, which has been slow all year, screeched to a near-halt in the last two months, with an average of just 73,000 jobs created in April and May. To put this in perspective, the economy must add 4.3 million jobs to return to the pre-recession peak in employment.
- The "underemployment" rate rose to 14.8%. That means that nearly 1 in 6 American workers are unemployed or working either part-time or in positions below their qualifications.
- We have now had 40 weeks of at least 8% unemployment, the longest period since the Great Depression.
- Economists are now speculating that the job situation, coupled with anemic growth, means that we are now heading into a new recession.

As Speaker Boehner pointed out, the House has passed more than 30 jobs bills, many of them on a bipartisan basis. Most of them have been summarily ignored by the Senate, in favor of grandstanding votes on measures that would do nothing to help out-of-work Americans. Crossroads GPS has endorsed Senate passage of many of these bills through its New Majority Agenda.

Crossroads GPS urges rank-and-file Senate liberals to buck their anti-jobs leadership and vote for House-passed measures that will get America's jobs engine going again. Right away, we should pass the pending legislation to allow the Keystone XL pipeline to proceed, and act promptly to end the economic uncertainty created by "Taxmageddon" - the largest tax increase in history that President Obama has scheduled for January 1, 2013.

America faces a Jobs Emergency. The liberal-run Senate is the logjam that is preventing progress on serious, pro-growth legislation. Breaking that logjam needs to be the top priority of every fair-minded Member of Congress and every American.

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