

Robert H. Waterman, Jr.
Coauthor of *In Search of Excellence*
The Renewal Factor

The Renewal Factor 171

Landor's corporate identity group told us, "Many strategic opportunities are related to a change in identity. Yet often managers are uncomfortable redefining their corporate image. The whole problem with most management thinking is too much logic. We bring an emotionality to the process. To change yourself into something that is *without character* is a loss of opportunity."

The importance of the kind of mirror Landor holds up is that it generates renewal without having to threaten clients with an impending crisis. After British Airways was returned to the private sector, for example, its executives launched many efforts to turn around the ailing carrier. They turned to Landor for help in developing a new identity. As Durbrow describes it: "Their planes looked worn out and so did their staff." The airline wanted something new and shocking. Landor's research, however, showed that the customer wanted a true reflection of England at its best: understated elegance, courtesy, class, a sense of the royal. Landor suggested a theme that reflected all this. Planes were repainted gray, navy-blue, and maroon with a "royal" crest on the tail. An information program was built to communicate to all employees what the airline should stand for. As the turnaround progressed, Durbrow notes, "For the first time in a long while people started taking pride in their work." He adds, "When you're in the service business, the most effective road to renewal is to enhance the sense of self-worth of the staff." The interest in that story is not just the listening-to-the-customer dimension, or even listening to an outsider. It's the use of the different mirror to reflect a sense of what could be.

Another different mirror for most organizations can be the board of directors. In theory it should be one of the primary sources of reflection of outside reality. Too often it is not. Several executives we interviewed, none of whom wanted to name the examples, talked of companies they knew well that were not renewing. They believed a main reason was the interaction between the board and the CEO. In theory the board is responsible for selecting other directors. In practice they are not going to pick someone the CEO doesn't approve; more likely it is the CEO who recommends new directors the board then approves.

"The trouble comes," as one executive told us, "when the CEO is not comfortable with controversy, debate, fresh ideas, and

(over)

the occasional dissenting vote. Too often you find people on the board who are 'me too' people or the chairman's golfing buddies, social acquaintances, and the like."

Potlatch's Dick Madden recalled that one of the problems he faced in 1971 was what he and others assessed to be a board lacking experience in a number of specific fields. "We decided we were not necessarily going to pick people we knew, that we wanted people who embodied personal strength, general management experience, and who collectively represented different functional, industry, and geographic experience." Madden used their selection of James Affleck, at the time CEO of American Cyanamid, as an example. Research was an area that Madden and his colleagues were convinced had to be strengthened at Potlatch. Madden says, "Only a few of the top executives in the Fortune 500 have deep research expertise." Affleck was one of them. "None of us knew him well," says Madden, "but we went to see him, talked with him about what we were trying to do, and he joined our board."

Madden brings up an interesting slant in which the mirror itself sharpens the image. "If the management team, including the CEO, know they have to present something to a board that is smart, prominent, and inquisitive, the whole management is toned up."

Madden and others who talked with us on this subject are right. The renewing companies fashion a board for themselves that is worth listening to and then use that board actively. This is such an obvious step toward renewal, it should not have to be talked about. With all that has been written about director liability, you would think companies would not pick rubber-stamp boards, and directors wouldn't join boards like that. But the problems of groupthink seem to be just as pervasive at board level as elsewhere in the organization. Too few leaders are acting as Madden did to change this predicament.

Steps for Getting There

The fundamental issue here is that keeping a business's real

article by management consultant Robert Townsend. Both point out the dangers of docile boards — and offer ideas for improvements.

I should probably add that my personal lawyer and friend (who is familiar with my humane work since I was at Hallmark) and also my husband, have both strongly suggested that I take action at this time to safeguard my personal interests.

Thanks to each of you for all you've done over the years to help the animals. Let's hope we can clear the air so that we — and the HSUS — can make even more significant contributions in the future.

Kind regards,


Susan Pepperdine

SP:cp
Enclosures

P.S. The rubber stamp enclosed serves as both a reminder and a challenge. Our choice is this: Will we continue to be a rubber stamp board? Or will we become a strong, viable, independent board? I think I know what Jenifer would vote for. Can we do less?

*Lawyer suggested
1. include
the*

Commentary

Up the board of directors

In the new, revised version of his best-selling book *Up the Organization*, Robert Townsend, the former chairman and CEO of Avis, remains critical of boards of directors. Recently, the editors of the newsletter *Directorship* asked Townsend to defend his criticisms and to suggest ways in which the system might be improved. Here is the interview.

You say in *Further Up The Organization* that most big companies have turned their boards of directors into non-boards. How have they done this?

Townsend: I say elsewhere in the book that in all the years that I have served on boards of directors, I have never heard an outside director—at a board meeting, as a director—say anything that resulted in any action at all. So, therefore, I think that boards are perfunctory. They are cosmetic—I am talking about normal big companies.

First of all, the chief executive selects friends whenever he has a chance or he selects somebody who is an important figure in the world, like Gerald Ford or Henry Kissinger, who won't give him any trouble because they enjoy the \$30,000 and the other perks. That is one of the ways to turn boards into non-boards. The other way is just by the nature of the outside director. He spends a maximum of 40 hours per year thinking about the company that he is a director of. Forty hours a year. He only meets the top officers and the secretaries of the com-

pany, and he meets them under controlled circumstances, usually when they are with their CEO, which means they are not likely to say anything that they haven't gone over very carefully with him beforehand. So that the whole thing

has very little substance. Companies put their directors to sleep by giving them a heavy lunch, with cocktails, and by meeting in some place that is attractive, and they have their chief officers there at the board meeting so nobody is going to

"... I proposed to charge the directors \$250 a meeting for attending, since they were learning more than we were."



CEO PERRY

Reprinted from Directorship, Westport, Connecticut.



"It's imperative we get some heavyweights on the board."

Drawn by Stevenson, © 1981 The New Yorker Magazine Inc.

send you the monthly reports and you can call me with any questions."

Any corporate action that has to be carried out can be carried out by a telephone meeting of the executives, so that nothing gets lost, nothing gets delayed. I have seen it so many times where the chief executive officers, especially the ones who are over the hill and burned out, spend a lot of time just dreaming up junk to put on the board-meeting agenda that looks important.

Do you suggest doing away with boards altogether?

No, I don't. I just think you should put them into perspective. You know, when Andre Meyer was the senior partner of Lazard Frères & Company, which owned 51 percent of Avis, he was trying to persuade me to leave American Express to become chief executive officer of this company that had never earned a nickel in 13 years. After I

studied it and decided to do it, I had certain conditions, and one of my conditions was this: I said, "If we are going to turn this thing around, Mr. Meyer, we cannot be playing this board of directors game. So we are going to have four meetings a year."

How many had they been having?

Ten or 11—they would not have them in the summer. Andre had picked some prestigious nonentities for the board, and I got two conditions. One was that we meet four times a year, and the second was that the directors get paid nothing because we could not afford any charades. We were trying to run an honest company and see if we could make any sense out of it. We were going to knock off all the baloney. We eliminated outside directors' fees because they never contribute anything. I think Andre probably paid them out of Lazard to attend, but we never formally paid them anything. At the last board meeting

before he sold Avis to ITT, I had an item on the agenda proposing to charge the directors \$250 a meeting for attending, since they were learning more than we were. We weren't in it to learn anything, but they were; and the proof that I was using was that RCA had just bought Hertz. And I said, "How the hell would Sarnoff have known enough to buy Hertz if it hadn't been for his directorship?" All right? Well, I think that was out of embarrassment at that board item, I think that is why [Meyer] sold the company to ITT. I think that is a fair measure of board members and directors.

There is a great quote from John Updike, with which I am taking just one little liberty: "Intelligence is a function of the individual, and groups of persons are intelligent in inverse proportion to their size. Nations have the brains of an amoeba, whereas the board of directors approaches the condition of a trainable moron." ■

Moses died before he could set foot in the Promised Land, but in his life — which started as a vulnerable, abandoned baby in the Egyptian bulrushes — he became a killer, an outraged moral leader, an enormously skillful politician and an obedient servant and mouthpiece of God.

He was the point man in the victory over the tyrannical Egyptian Pharaoh, freeing the enslaved Israelites. He was the man whom God chose to speak both to and through, giving not just the Jews but ultimately the whole world the Ten Com-



models and clothing designers to superhuman status. We often pay scalpers' prices just to see such stars.

But how paltry these people all seem when measured against the true giants of history — the ones like Moses who, with magnificent skill and vision, with towering strength and humble faith, changed their world and ours forever.

How easy it is to go hoarse shouting the praises of today's sports gods while forgetting the lives that, unlike theirs, really have made a difference.

Meese record is some kind of record

By Michael Moore

Los Angeles Times-Washington Post News Service

It is remarkable that Edwin Meese III was ever appointed attorney general or that, once appointed, he has not been forced to resign.

Recall Meese's inauspicious beginning. It required almost a year before his nomination could be brought to the Senate for confirmation. The delay was due to independent counsel Jacob Stein's investigation of (among other things) Meese's use of his prior position as President Reagan's counselor to obtain government jobs for persons who had lent money or done other financial favors for Meese.

Stein concluded that while there was insufficient evidence on which to indict Meese, there was evidence of "an amazing sloppiness about his personal financial affairs, a casual disregard for what most regarded as serious and important disclosure laws to maintain the integrity of government, and a curious blindness to the way such dealings would look to those who weren't his friends and cronies."

Meese's history since then is remarkable in the number and variety of scandals in which he has been embroiled. Recall: That Meese openly intervened in obtaining defense contracts for Wedtech on just the recommendation of his friend and personal attorney, E. Robert Wallach; that although Meese himself received no money from Wedtech, Wallach has been accused of receiving more than \$2 million in money and securities from Wedtech to influence Meese; that in 1985 Meese invested with a company managed by a Wedtech director, which investments yielded high profits on stock trades apparently involving more money than Meese had in his account; that Meese on his own declared this investment to be a "blind trust" without complying with the Ethics in Government Act, and as a result failed to disclose the nature of the securities for purposes of conflict-of-interest review; that Meese participated in a Department of Justice decision allowing regional phone companies to expand into information services despite his ownership of stock in certain phone companies.

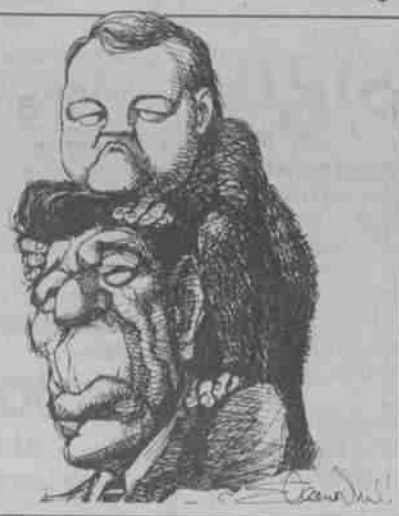
Given this history, the disclosures about Meese's involvement in — and possible financial gain from — an unsuccessful effort by Wallach to obtain U.S. support for an Iraqi pipeline are not

surprising. What is surprising is that the nation's chief law enforcement officer should receive a memorandum suggesting possibly illegal payments to Israeli officials and do nothing about it.

It may well be that through all of these scandals Meese can truthfully say, in Richard M. Nixon's famous phrase, that he is not a crook. It may also be that Meese may escape indictment. But there are many forms of impropriety that do not involve stealing money or being indicted. Allowing the powers of office to be used in ways that enrich your friends, carelessly disregarding conflict-of-interest guidelines and disclosure requirements, and ignoring suggestions of bribery each

Roe vs. Wade, Miranda and First Amendment establishment cases, but also on the very doctrine that the Supreme Court interpretations of the Constitution are authoritative as part of the supreme law of the land; that Meese sought to impose his peculiar views of the Constitution on the federal bench by continuing his ideological-purity tests for federal judgeship nominees, the explicit goal being to solidify the Reagan Revolution so that it can't be set aside no matter what happens in future presidential elections; that this quest for ideological purity blinded Meese to defects in Robert Bork and Douglas Ginsburg that doomed their nominations to the Supreme Court; that similar ideologi-

Ed Meese's history as attorney general is remarkable in the number and variety of scandals in which he has been embroiled.



qualifies as enough impropriety to bring down a government official.

When the official is the attorney general — the person who by his conduct and advice should set the ethical standard for personal behavior within an administration — the retention of office is unthinkable.

Distinct from the issue of personal ethics is the disrespect Meese has shown for the unique office he holds. The attorney general is the nation's highest law enforcement official, and he heads the department charged with upholding the Constitution and federal laws. It is his responsibility to ensure that the law is applied impartially and without regard for the position, power or party of the individuals involved.

Meese's use of his office falls well below these responsibilities. Consider: that as soon as Meese was in office he launched a series of attacks not only on specific decisions of the U.S. Supreme Court like

cal considerations motivated Meese to nominate non-civil rights enforcer William Bradford Reynolds as associate attorney general in 1985, and that when the Senate rejected him Meese promoted him to another position within the Department of Justice and, finally and most important, that Meese was more the president's chum than the nation's top cop during his "investigation" of Oliver L. North, John M. Poindexter and William J. Casey in the Iran-Contra scandal, keeping no notes and not much recollection about crucial conversations with these officials, and even tipping off some officials in time to allow them to destroy incriminating documents.

The disclosures about Meese's involvement in the pipeline project are but another piece of a continuing pattern. If the allegations prove true, then Meese has regarded his office as just another access point for private wealth and influence.

Michael Moore is a professor of law at University of Southern California and at University of California, Berkeley.

MEMORIES OF MARILYN



Associated Press

Actress Jane Russell squeezed the cheeks of an enlarged image of the U.S. Postal Service's Marilyn Monroe stamp Friday at a ceremony at

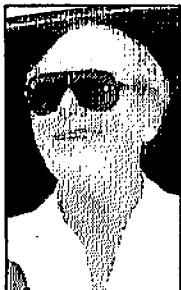
Mann's Chinese Theater in Hollywood. Russell shared memories of the times she and Monroe spent at the famous theater.

in press on 12/95

Financial radio host is back to face fraud charges in U.S.

The Associated Press

NEWARK, N.J. — After broadcasting in "exile" for two months, radio host Sonny Bloch was returned to the United States on Friday to face charges of using his financial-advice show to swindle investors out of \$21 million.



Bloch

Unshaven and wearing sunglasses, Bloch told reporters that he "was kidnapped and held in a dungeon," apparently a reference to his arrest May 27 in the Dominican Republic, which deported him Wednesday to Puerto Rico.

Prosecutors say Bloch and four others used his show, which had been heard daily on 170 stations

throughout the country, to promote investments in unprofitable radio stations and "marginal" wireless cable operations.

Bloch denied wrongdoing, and added: "I'm sorry they lost their money."

He has a court hearing Monday. His co-defendants, telemarketers who live in various New York City suburbs, pleaded not guilty Friday.

The five are charged with conspiracy, fraud and other offenses.

In addition to the criminal indictment, Bloch is charged in a civil complaint filed by the Securities and Exchange Commission.

Prosecutors are also investigating whether Bloch, 58, had sex with underage girls. Authorities seized videotapes at his Tampa, Fla., home and office in February.

Bloch lived and worked in Tampa, fleeing the country as investigators closed in. He has repeatedly denied any wrongdoing.

Feel Younger!

Orman's has a complete display of every Sealy Posturepedic® and Stearns & Foster mattress available. **SAVE EVERYDAY!** Orman's prices are lower than others so-called "sale" prices. Take advantage of free delivery, set up and removal of old mattress with purchase of 1995 Posturepedic® set.

Plus '94 Clearance

Examples of 200 Pieces:

Glendale Twin Mattress	\$68
Perfect Comfort Deluxe Twin Set	136
Posturepedic Twin X-Long Mattress	188
Deep Slumber Queen Mattress	148
Keystone Firm Queen Mattress	178

1 Disney stock

form will show its value has increased to the \$15,001-\$50,000 range, the aide said. Both Doles earned modest dividends from Disney last year.

Less than an hour after being asked about the investments Friday by The Associated Press, Elizabeth Dole said through a campaign official that she would sell her shares.

"Walt Disney has a long tradition of making high-quality family movies," said Dole campaign manager Scott Reed. "Mrs. Dole was surprised to learn that Walt Disney owned Miramax and Hollywood Records and has decided to sell her stock."

Disney's ownership of Miramax surfaced in news reports about the movie earlier this year. The Knights of Columbus, for example, announced in April that it was selling \$3 million of Disney stock because of the company's connection to Miramax and "Priest."

In April, during his presidential campaign announcement tour, Dole singled out "Priest" as the

type of movie he was referring to when he criticized Hollywood for films that crossed a decency threshold and had the potential to adversely effect children. He later acknowledged he had never watched the movie.

50-plus and livin' it up

"I want to be seen as a vibrant woman until I'm dead, even if people think I'm nuts," says Wendy Reid Crisp, who turned her philosophy of life into a book. It's called *100 Things I'm Not Going to Do Now That I'm Over 50*. Read about it in FYI, Page E-1.

SUPER SATURDAY \$34.90 PR

"SUNNY" BLACK, NAVY, BONE, OR WHITE LEATHER. ALSO, TAUPE NUBUCK. REG. 49.95

"BIANCA" NATURAL OR WHITE LEATHER. REG. 49.95

"BERNICE" NATURAL NUBUCK OR WHITE LEATHER. ADD \$3.15 DELIVERY

NATURAL WHITE, MEXICAN MULTI OR METALLIC MULTI LEATHER. REG. 49.95

"SPARKLE" BLACK, TAN, BONE OR WHITE LEATHER. REG. 49.95

"TRACY" NATURAL OR WHITE LEATHER. REG. 49.95

ANY 2 PAIR NOW \$60

N	7-11
M	8-12
W	5-12
WW	8-12

PHONE ORDERS CALL 421-0877

MISSION-6914 JOHNSON DR. NEXT TO LUBY'S CAFETERIA Hrs. 9:30-6 677-1166

74th ANNUARY SALE

15% TO 50% OFF ENTIRE INVENTORY INCLUDES EVERY SHOE & HANDBAG IN THE STORE!

218-220 E. 11TH ST. DOWNTOWN-KCMO Open 9:30-6 421-0877

WAREHOUSE SALE!

END OF OUR LEASE! FORCED TO MOVE!

DDDS
ASTIAN
ESTPORT

JORDAN WINDSOR
N. VALENTINO

80% on name brands you never thought you'd be able to afford!



Who Gets The Money?

To better inform readers about how the dollars donated to animal protection are spent, The ANIMALS'

AGENDA has compiled the following tables from IRS Form 990 filings for fiscal year 1989 (filings

for 1990 won't become available until later this year).

Table #1 lists 26 of the most visible national animal protection groups in order of the size of their 1989 budgets, along with selected other groups whose focus is on habitat (even though they may exist to promote hunting), or whose assets are generally believed to be in the top 10 for animal protection groups nationwide, even though their focus is strictly regional. A total of 43 groups are represented. The habitat-oriented groups are included because they also receive substantial donations from people whose primary interest is in helping wildlife, and as a standard of comparison.

Table #1 shows the total budget of each group, how much is spent on programs, and how much is spent on maintaining the organization, e.g. on fundraising, office expenses, and salaries. Several groups whose direct mail funding appeals include educational and public advocacy materials have reported a portion of their cost under program services, rather than fundraising. Footnotes identify groups whose budget breakdown is significantly altered, and explain what the breakdown would be if their reporting followed the form used by most of the other groups.

ORGANIZATION	1989 BUDGET	PROGRAMS	OVERHEAD
The Nature Conservancy	\$150,100,000	\$115,514,000 74%	\$40,586,000 26%
National Wildlife Federation	\$87,200,000	\$74,992,000 86%	\$12,208,000 14%
Ducks Unlimited	\$67,400,000	\$51,899,000 77%	\$19,546,000 23%
World Wildlife Fund	\$41,875,073	\$34,433,695 83%	\$7,241,378 17%
Sierra Club	\$35,200,000	\$23,936,000 68%	\$11,264,000 32%
National Audubon Society	\$35,000,000	\$24,500,000 70%	\$10,500,000 30%
North Shore Animal League	\$19,020,369	\$11,699,655 60%	\$7,920,714 40%
Massachusetts SPCA	\$17,657,626	\$13,706,959 78%	\$3,950,667 22%
The Widomess Society	\$17,300,000	\$12,975,000 75%	\$4,325,000 25%
American SPCA	\$16,487,294	\$10,915,403 66%	\$5,568,891 34%
Humano Society of the U.S.	\$13,560,523	\$11,125,886 82%	\$2,434,637 18%
Sierra Club Legal Def. Fund	\$6,700,000	\$4,690,000 70%	\$2,010,000 30%
PETA	\$6,522,457	\$4,939,540 76%	\$1,582,917 24%
The Conservation Foundation	\$6,505,129	\$4,665,621 72%	\$1,719,508 26%
Doris Day Animal League (1)	\$4,737,524	\$2,665,330 56%	\$2,072,194 44%
Conservation International	\$4,600,000	\$3,910,000 85%	\$690,000 15%
Defenders Of Wildlife	\$4,353,853	\$3,154,650 73%	\$1,199,203 27%
IFAW (2)	\$4,165,313	\$2,880,601 69%	\$1,284,712 31%
Friends Of Animals	\$4,101,444	\$3,447,351 84%	\$654,093 16%
African Wildlife Foundation	\$3,300,000	\$2,706,000 82%	\$594,000 18%
American Humane Assn. (3)	\$3,231,367	\$2,565,589 79%	\$665,778 21%
Friends Of The Earth	\$3,100,000	\$2,511,000 81%	\$589,000 19%
Animal Protection Institute	\$2,656,540	\$1,583,379 59%	\$773,261 29%
Connecticut Humane Society	\$2,333,142	\$1,990,062 85%	\$334,080 13%
American Rivers	\$1,500,000	\$1,110,000 74%	\$390,000 26%
New Eng. Anti-Viv. Society	\$1,472,459	\$1,219,243 83%	\$253,216 17%
Natl. Anti-Vivisection Soc.	\$1,444,660	\$977,478 68%	\$464,182 32%
The Fund For Animals	\$1,214,766	\$767,588 63%	\$447,202 37%
Earth Island Institute	\$1,100,000	\$869,000 79%	\$231,000 21%
American Anti-Viv. Society	\$984,915	\$767,360 78%	\$217,555 22%
Phys. Com for Resp. Med.	\$897,401	\$602,605 67%	\$294,796 33%
Rainforest Action Network	\$876,000	\$613,200 70%	\$262,800 30%
Rainforest Alliance	\$750,000	\$532,500 71%	\$217,500 29%
United Action For Animals (4)	\$729,152	\$679,250 93%	\$49,902 7%
In Defense Of Animals	\$654,803	\$568,774 87%	\$86,029 13%
The ANIMALS' AGENDA (5)	\$595,513	\$424,092 71%	\$171,421 29%
Int. Soc. for Animal Rights	\$551,400	\$373,297 68%	\$178,103 32%
Sea Shepherd Conserv. Soc.	\$498,660	\$413,879 83%	\$84,771 17%
Animal Welfare Institute	\$467,969	\$366,374 79%	\$99,595 21%
Primarily Primates (6)	\$267,539	\$155,676 58%	\$111,863 42%
Earth First!	\$212,084	\$171,788 81%	\$40,296 19%
Farm Animal Reform Mvmt.	\$119,140	\$90,817 76%	\$20,756 19%
Farm Sanctuary	\$92,593	\$75,559 82%	\$17,034 18%

1 - The Doris Day Animal League counted the costs of mailing educational and public advocacy materials that included appeals for donations as program expenses rather than as part of fundraising. If these costs were reassigned to fundraising, only 12 percent of the DDAL budget went to programs, and 88 percent to overhead.

2 - The International Fund for Animal Welfare counted part of the costs of mailing

educational and public advocacy materials that included appeals for donations as program expenses rather than as part of fundraising. If these costs were reassigned to fundraising, only 48 percent of the IFAW budget went to programs, and 52 percent to overhead.

3 - The American Humane Association program budget included \$1,683,979 spent on animal protection, and \$551,710 spent on child protection.

4 - United Action For Animals achieved this unusually high ratio of program expenses to overhead by incurring a deficit for the fiscal year of \$541,693, amounting to 36 percent of the group's total assets at the beginning of the year.

5 - Corporate name is Animal Rights Network, Inc.

6 - Primarily Primates has a skewed ratio of program costs to overhead because of the labor-intensive nature of taking care of over 300 primates and 150 birds.

Table #2 lists the animal protection groups only, in order of their total assets. Fixed assets include buildings, usually office space and/or animal shelters. In several cases the total worth of a group is somewhat misleading. Frequently the value of the land beneath an office or shelter has appreciated due to surrounding development, while cash income has grown at a slower pace. Some critics argue that groups in this position should sell their present facilities, relocate to cheaper areas, and spend the savings on new programs to help animals. An appealing idea at a glance, this strategy probably wouldn't work for most such groups, because all the property in the districts they serve is expensive, and the cost of building animal care facilities at a new site would exceed the return from selling the old facilities (which new owners would want to demolish). In other cases, generally involving small groups, liquid assets (cash and securities) appear high relative to budget when the groups are, in fact, struggling to meet expenses. An example is Farm Sanctuary, whose 1989 cash assets included substantial pending payments on the farm that has become the group's headquarters.

ORGANIZATION	TOTAL ASSETS	FIXED ASSETS	CASH/ SECURITIES ^a
North Shore Animal League	\$51,207,727	\$2,632,691	\$44,970,159
American SPCA	\$39,596,797	\$3,272,935	\$25,042,980
World Wildlife Fund	\$34,302,542	\$1,414,242	\$25,984,177
Massachusetts SPCA	\$27,213,431	\$15,810,054	\$9,438,993
Humane Society of the U.S.	\$22,897,352	\$2,572,831	\$18,598,727
Connecticut Humane Society	\$18,937,571	\$1,427,659	\$15,371,980
New Eng. Anti-Viv. Society	\$8,501,220	\$754,914	\$7,586,701
United Conservation Foundation	\$6,990,939	\$437,080	\$5,410,932
American Anti-Viv. Society	\$5,606,336	\$39,332	\$5,535,539
American Humane Assn. (1)	\$5,271,334	\$2,217,702	\$2,455,400
Friends Of Animals	\$2,997,911	\$123,357	\$2,651,130
The Fund For Animals	\$2,393,866	\$662,955	\$1,695,798
Int. Fund for Animal Welfare	\$2,381,929	\$1,771,078	\$220,662
Natl. Anti-Vivisection Soc.	\$2,319,139	\$1,947	\$2,162,077
Defenders Of Wildlife	\$2,120,646	\$355,919	\$1,537,304
PETA	\$1,907,444	\$656,143	\$49,662
United Action For Animals	\$976,561	\$58,074	\$749,226
Int. Soc. For Animal Rights	\$452,090	\$166,137	\$238,690
Primarily Primates	\$440,128	\$367,925	\$77,045
Animal Protection Institute	\$302,060	\$60,765	\$143,970
Doris Day Animal League	\$290,736	\$9,290	\$235,712
Farm Sanctuary	\$192,696	\$80,676	\$77,224
FCRM	\$109,900	\$34,976	\$14,696
Animal Welfare Institute	\$68,713	\$17,994	\$49,358
In Defense Of Animals	\$55,836	(none claimed)	\$56,915
Farm Animal Reform Mvmt.	\$25,668	(none claimed)	\$25,604
The ANIMALS' AGENDA	\$36,625	\$22,427	\$4,198

1 - The figures for the American Humane Association are for the entire

Continued on next page

Animal Newsline

Continued from previous page

ation, since Form 990 data does not distinguish between assets of the child and protection divisions. Table #3 lists the total compensation of the top executives of each of the groups included in Table #1, plus the compensation of the five highest-paid staffers with each animal protection group, the compensation of their directors if the directors are compensated, and compensation paid to other individuals for professional services. Notes are provided where individuals are paid through special arrangements, are no longer with the organizations they were with in 1989, or where other circumstances seem to require further explanation. Organizational heads are listed in capital letters.

INDIVIDUAL	ORGANIZATION	POSITION	PAY	NOTES
JACK AIR	Natl. Wildlife Fedn.	President	\$200,000	
JACK SAWHILL	The Nature Conservancy	President	\$180,000	
DAVID J. GANZ	North Shore Animal Lg.	Executive Dir.	\$163,700	
JACK HOYT	Humane Society of U.S.	President	\$146,927	
PETER BERLE	Natl. Audubon Society	President	\$140,000	
KARLYN FULLER	World Wildlife Fund	President	\$133,881	
FRANK SUTHERLAND	Sierra Club LDF	Executive Dir.	\$132,916	
JACK KULLBERG	American SPCA	President	\$130,619	
PAUL BROWN	Humane Society of U.S.	Treasurer	\$123,301	
MARK STANLEY PRICE	African Wildlife Fndtn.	Executive Dir.	\$122,000	
GEORGE FRAMPTON	The Wilderness Society	President	\$120,000	
HOLLY HAZARD	Doris Day Animal League	Exec. Dir.	\$110,440	1
James Carpenter	Massachusetts SPCA	Dr., Rowley Hosp.	\$106,188	
James Stout	World Wildlife Fund	Vice President	\$105,225	
Patricia MacDonald	World Wildlife Fund	Executive V.P.	\$103,444	
Rudolf Train	World Wildlife Fund	Chairman	\$103,444	
ROBERT CUTLER	Defenders Of Wildlife	President	\$100,613	
Paul Gambardella	Massachusetts SPCA	Dir. of Pathology	\$99,778	
Richard Foe	World Wildlife Fund	Consultant	\$95,750	
John Noble	World Wildlife Fund	V.P. Planning	\$95,454	
Nel Hamster	Massachusetts SPCA	Dir. of Cardiology	\$93,984	
Henry Cowen	North Shore Animal Lg.	Graphic Artist	\$90,000	2
GUS THORNTON	Massachusetts SPCA	President	\$89,706	
Curt's Freese	World Wildlife Fund	Vice President	\$86,875	
MICHAEL FISCHER	Sierra Club	Executive Dir.	\$86,000	
RUS MITTERMEIER	Conservation Intl.	President	\$85,000	
G. J. Nelson	The Wilderness Society	Counselor	\$85,000	
Mr. J. Arms	North Shore Animal Lg.	Dir. of Shelter	\$82,950	
Edward Hamilton	North Shore Animal Lg.	Veterinarian	\$81,850	
Frederick Davis	Massachusetts SPCA	Sr. Vice President	\$80,440	
Harold Finkelstein	American SPCA	Asst. Treasurer	\$78,241	
Curtis Bohlen	World Wildlife Fund	Vice President	\$77,975	
Robt. M. Wright	World Wildlife Fund	Vice President	\$77,975	
John Grady	Humane Society of U.S.	Vice President	\$77,587	
Gordon Robinson	American SPCA	Vice President	\$77,544	
Patricia Forkan	Humane Society of U.S.	Vice President	\$76,685	
Howard Levy	Massachusetts SPCA	Vice President	\$76,317	
Michael Bernstein	Massachusetts SPCA	Dir. of Medicine	\$75,786	
Ronald Joly	American SPCA	Dispatcher	\$75,570	
Joseph Slovák	Massachusetts SPCA	Dir. of Medicine	\$74,067	
LAWRENCE BROWN	American Humane Assn.	Secretary	\$73,359	3
Bruce Bunting	World Wildlife Fund	Vice President	\$72,525	
Michael Fox	Humane Society of U.S.	Vice President	\$71,063	
Alexander Stewart	Massachusetts SPCA	Vice President	\$70,124	
Robert Commisso	North Shore Animal Lg.	Controller	\$70,000	
KEVIN COYLE	American Rivers	President	\$70,000	
Patrick Parkes	Humane Society of U.S.	Vice President	\$67,837	
Herman Cohen	American SPCA	Sr. Vice President	\$66,142	
Thomas Hunt	Humane Society of U.S.	Asst. Treasurer	\$65,559	
James Deane	Defenders Of Wildlife	Editor	\$64,983	
Murdaugh Madden	Humane Society of U.S.	Vice President	\$63,768	
BRIAN DAVIES	IFAW	CEO	\$63,009	
Loran Perham	American SPCA	Foreperson	\$61,538	
Pat Scherre	American Humane Assn.	Child Protection	\$60,991	3
Dennis White	American Humane Assn.	Animal Protection	\$60,741	
Phyllis Wright	Humane Society of U.S.	Vice President	\$60,551	
Huando Torres	American SPCA	Sr. Investigator	\$60,527	
Michael Mantell	World Wildlife Fund	General Counsel	\$60,184	
Christopher Carr	Defenders Of Wildlife	CEO	\$59,614	
HELEN JONES	ISAR	President	\$59,000	
MARY M. CUNIFF	Natl. Anti-Viv. Society	Executive Dir.	\$58,750	4
Kenneth L. Cuniff	Natl. Anti-Viv. Society	Attorney	\$58,716	4
Barbara Bucovitsky	North Shore Animal Lg.	Manager	\$58,640	

Sara Vckerman	Defenders Of Wildlife	Reg. Director	\$ 53,164
Histor MacIntosh	Defenders Of Wildlife	Conservation Dir.	\$ 57,055
DUFF FISCHER	Animal Protection Inst.	President	\$ 55,621
MCDONALD WHITE	United Action for Anim.	President	\$ 54,600
Lawrence Amon	World Wildlife Fund	V.P. Finance	\$ 54,394
Ted Crail	Animal Protection Inst.	Consultant	\$ 53,214
Betty Denny Smith	American Humane Assn.	Dir., Hollywood	\$ 51,655
Kathryn Tolerton	Defenders Of Wildlife	Associate Director	\$ 51,610
Katherine Snaft	Humane Society of U.S.	Data Process. Dir.	\$ 51,345
Joseph Meadow	United Action For Anim.	Attorney/Lobbyist	\$ 50,622
Annie St. Laurent	United Action For Anim.	Research Director	\$ 50,350
AUGUST HELBERG	Connecticut Humane	Executive Director	\$ 50,175
MICHAEL CLARK	Friends Of The Earth	President	\$ 50,000
J. John Stevenson	North Shore Animal Lg.	Attorney	\$ 49,467
George Trapp	Natl. Anti-Viv. Society	President	\$ 48,998
Richard Moore	IFAW	Executive Director	\$ 47,531
AARON MEDLOCK	New Eng. Anti Viv. Soc.	Executive Director	\$ 47,000
Sydney Hall	IFAW	Scientific Consul.	\$ 46,480
John Fitzgibbon	Defenders Of Wildlife	WLD Policy	\$ 46,245
Karen Forestad	American Humane Assn.	Child Protection	\$ 45,893
Caroline Thompson	IFAW	Public Relations	\$ 45,514
WILLIAM CAVE	American Anti-Viv. Soc.	President	\$ 44,682
Adele Douglass	American Humane Assn.	Dir., Wash. D.C.	\$ 44,654
Paul Kellogg	Natl. Anti Viv. Society	Consultant	\$ 44,341
Carter Luke	Massachusetts SPCA	Vice President	\$ 43,979
ELLIOT KATZ	In Defense Of Animals	President	\$ 43,920
Bea Hayes	Humane Society of U.S.	Dir. of Membership	\$ 43,881
Jane Fester	World Wildlife Fund	Asst. Secretary	\$ 43,766
Bruce Webb	Animal Protection Inst.	(not stated)	\$ 43,664
Robert Govoni	IFAW	Controller	\$ 43,556
Scott Anderson	PETA	Dir. of Membership	\$ 42,518
Marcia Glaser	Humane Society of U.S.	Asst. Secretary	\$ 42,758
Donald Barnes	Natl. Anti Viv. Society	Director	\$ 42,650
Elizabeth Dribben	Humane Society of U.S.	Govt. Relations	\$ 42,141
FRISCILLA FLHAL	Friends Of Animals	President	\$ 42,000
Kim Stallwood	PETA	Executive Director	\$ 41,000
Charlotte Drennon	Humane Society of U.S.	West Coast Dir.	\$ 40,618
Randall Lockwood	Humane Society of U.S.	Dir. of Higher Ed.	\$ 40,249
Norman Anderson	PCRM	Dir. of Toxicology	\$ 39,000
Robert I. Eiman	Animal Protection Inst.	(not stated)	\$ 38,368
Tim Mancos	Animal Protection Inst.	(not stated)	\$ 38,078
Samuel Trevino	Humane Society of U.S.	Asst. Treasurer	\$ 37,292
Clarence White	Connecticut Humane	Financial Secty.	\$ 36,120
Mary Ouellette	Natl. Anti-Viv. Society	Secretary	\$ 36,050
Pammy M. Foyle	Natl. Anti-Viv. Society	Dir. Program/Educ.	\$ 35,804
U.S. MEDIAN HOUSEHOLD INCOME			\$ 35,752
Sue Murphy	American Humane Assn.	Asst. Secretary	\$ 35,030
PETER BAHOOTH	Greenpeace U.S.A.	Executive Director	\$ 33,719
William Clark	Friends Of Animals	International Rep.	\$ 33,000
Nancy Hicks	Animal Protection Inst.	Consultant	\$ 33,000
Nancy Payton	ISAR	Vice President	\$ 33,000
Sylvia Lovett	Friends Of Animals	Controller	\$ 32,000
JOYCE TISCHLER	Animal Legal Def. Fund	Executive Director	\$ 31,600
Zephyr Canyle	Friends Of Animals	Attorney	\$ 31,500
Sandra Lewis	Friends Of Animals	New York Director	\$ 31,500
Roger Stevenson	PETA	Computers/Finance	\$ 31,264
Nancy Crooks	Animal Protection Inst.	Consultant	\$ 30,959
Marianne Radziewicz	New Eng. Anti-Viv. Soc.	Attorney	\$ 30,560
Suzanne Hoy	PCRM	Communications	\$ 30,423
Joanne (Glynn) Roush	PETA	Research/Investig.	\$ 30,260
Carol Burnett	PETA	Dir./Communication	\$ 30,237
Arthur Ketman	North Shore Animal Lg.	Attorney	\$ 30,000

IRS rules require that only the top five salaries within each organization need be reported. The following groups pay additional salaries in excess of \$30,000:

North Shore Animal Lg. (12)	9
Massachusetts SPCA (48)	
Humane Society of the U.S. (23)	
American SPCA (72)	

If a group pays no staff salaries above \$30,000, the top five need not be declared. The following (in alphabetical order) pay no staff salaries above \$30,000, and have not reported actual salaries:

Animal Welfare Institute
The Fund For Animals

NEAL BARNARD	PCRM	President	\$26,000
RANDY HAYES	Rainforest Action Net.	Exec. Director	\$28,000

ANIMAL NEWSLINE

DANIEL KATZ	Rainforest Alliance	a. Director	\$ 26,248
Rhoda Lee Bauch	American SPCA	t. Secretary	\$ 26,113
Peter Hoyt	The ANIMALS' AGENDA	ation Dir.	\$ 23,000
KIM DAHL LETT	The ANIMALS' AGENDA	x	\$ 22,995 10
Laura Yanne	The ANIMALS' AGENDA	rtising Dir.	\$ 22,995 11
Peter Theran	Massachusetts SPCA	President	\$ 22,687
Elizabeth Swart	In Defense Of Animals	ctor	\$ 21,100 12
Alex Pacheco	PETA	irman	\$ 21,000
Robert Hudson	American Anti-Viv. Soc.	a President	\$ 19,038
John Knox	Earth Island Institute	c. Director	\$ 18,794
Patrice Greanville	The ANIMALS' AGENDA	or-at-large	\$ 18,220
Dave Phipps	Earth Island Institute	c. Director	\$ 17,227
Eleanor Cave	American Anti-Viv. Soc.	retary	\$ 14,143 6
Meritt Clifton	The ANIMALS' AGENDA	vs Editor	\$ 13,960 10
Helen Carpenter	ISAR	t. Secretary	\$ 8,906
Elizabeth Swart	ISAR	s President	\$ 8,625 12
WALLACE SWETT	Primarily Primates	ident	\$ 8,000
Rebecca Weiss	American SPCA	st. Secretary	\$ 5,508
LORRI BAUSTON	Farm Sanctuary	ident	\$ 2,598 13
Gene Bauston	Farm Sanctuary	ie President	\$ 2,598 13
Blanche Kont	Farm Sanctuary	reasurer	\$ 2,598
James Clark	American Anti-Viv. Soc.	asurer	\$ 1,584 14
CLEVELAND AMORY	The Fund For Animals	ident	None
DAVID GROWER	Earth Island Institute	mn. of Brd	None
DAVE FOREMAN	Earth First!	nder	None 15
ALEX HERSHAFT	FARM	ident	None
INGRID NEWKIRK	PETA	i. Director	None
Marian Probst	The Fund For Animals	retary	None
CHRISTINE STEVENS	Animal Welfare Inst.	ident	None
JOHN WALKER	Ducks Unlimited	ident	None
PAUL WATSON	Sea Shepherd Cons.	c. Captain	None

1. Holly Hazard receives no salary from the Don's Day Animal League, but as a note appended to the group's Form 990 explains: "The law firm of Galvin, Stanley & Hazard provides to the League legislative representation, public education and executive management services through a partnership in its firm who functions as the League's Executive Director...Expenses to Galvin, Stanley & Hazard amounted to \$110,440 in 1989." Although DDAL listed no paid employees in the Form 990

Animal Consciousness Comes To Farm Country



Released late last year, *The Des Moines Register's* 1990 Iowa Poll shook the farm belt with the revelation that 34 percent of adult Iowans consider themselves animal rights activists, including 52 percent of those aged 18 to 24, 41 percent of all women, and 25 percent of all men. Six percent of respondents, twice the national average, said they were vegetarians. A whopping 72 percent called themselves environmentalists.

The poll was taken by telephone during the week of Sept. 10-18.

An Animal Industry Foundation consumer survey meanwhile found that 25 percent think common farming methods are cruel, 25 percent are undecided, and two-thirds believe animal husbandry should be

A COMMON BOND

WHAT DO THE HUMANE SOCIETY OF THE UNITED STATES AND THE NATIONAL INSTITUTES OF HEALTH HAVE IN COMMON? PROFESSOR GARY L. FRANCIONE EXPOSES THIS "RELATIONSHIP."

We in the animal rights movement spend a great deal of time and energy involved in controversies with our opponents; and we all know that we have no shortage of opponents. The vivisectors, farmers, hunters, trappers, and animal trainers all benefit financially from animal exploitation and they are all actively involved in efforts to discredit our movement. Although we must continue to compete vigorously with these animal exploiters in the marketplace of ideas, and we must continue to educate the public about animal abuse and animal rights, our movement has for too long ignored the unfortunate but indisputable fact that there are elements ostensibly within the animal community that are every bit as opposed to animal rights as are many of our opponents. Moreover, these supposed members of the animal community are insidiously using their position as "insiders" to launch the very same sorts of attacks against the animal rights position as do our opponents.

THE "HUMANE" SOCIETY OF THE UNITED STATES: A FRIEND TO ANIMAL EXPLOITERS EVERYWHERE

Five years ago, a confidential memorandum written by an official of the National Institutes of Health (NIH) and carefully circulated only to top NIH policy makers, was leaked to animal rights advocates. The memorandum proposed that in order for vivisection to defeat the animal rights movement, it would be necessary to draw a sharp distinction in the public mind between those who advocated traditional animal welfare concerns, and those who advocated that nonhumans are, like humans, holders of rights. The NIH plan called for the discrediting of the latter position by linking the rights view to alleged instances of violence, terrorism, and a complete disregard for the health and well-being of humans.

In 1955, the American Medical Association (AMA) adopted the NIH strategy in its white paper on animal experiments. According to AMA, animal welfare is "understandable and appeals to scientists, the public, and legislators." Animal rights, on the other hand, reflects a view that is "radical," "militant," "terrorist," and opposed to human well-being.

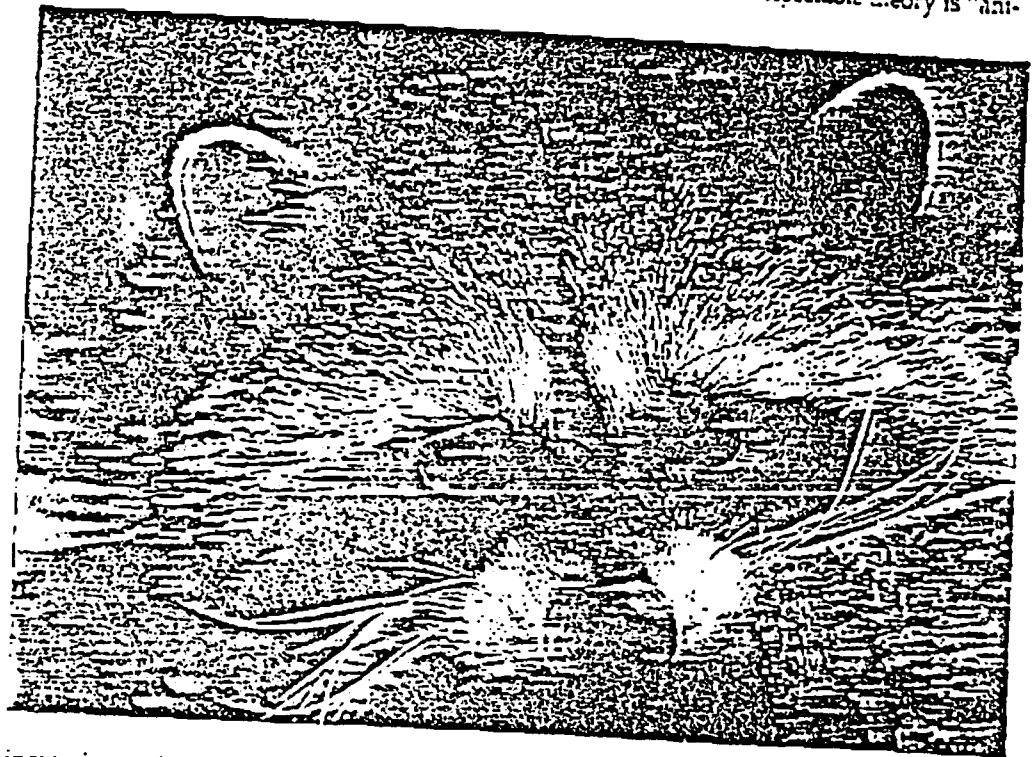
Sound outrageous? Sure, it is outrageous. But what, except distortion and untruth, can you expect from vivisectors, who are the recipients of the billions of

tax dollars that comprise a form of welfare known as "grants." Let us now turn to a supposed humane organization that is following the exact same strategy in trying to discredit the animal rights movement.

In a letter dated September 13, 1990, from John Hoyt, President of the Humane Society of the United States (HSUS), to Clayton Yeutter, then Secretary of the United States Department of Agriculture, Hoyt criticized Dr. Alex Hershaft, President of the Farmed Animal Reform Movement (FARM), for using the expression "animal protection" in a letter that Hershaft had written to Yeutter and copied to Hoyt. Hoyt stated that "Hershaft in no way speaks for the 'U.S. animal protection movement,'" and is,

the HSUS Board of Directors, has been going around the country and telling audiences that vivisection is good for human health, that HSUS is not opposed to vivisection, and that HSUS has nothing to do with the "radical" animal rights movement. Further, in her talks, she actually seeks to discredit the position of animal rights.

NIH and AMA seek to divide the movement into "camps," voice mild approval of the "moderate" element, isolate the "radical" elements, and then convince the public that the "radical" elements are "militant," "terrorist," and motivated by misanthropy. Hoyt and Lee, on behalf of HSUS, a supposed member of the humane community, claims that the legitimate or respectable theory is "ani-



mal protection" and that the more "radical" animal rights view is illegitimate or not respectable. Hoyt and Lee are using the arguments of animal exploiters against other members of the humane community.

The question that is inevitably raised is why are Hoyt and Lee taking this approach? What could possibly motivate Hoyt to write such a letter to Yeutter? One would have thought that irrespective of any differences that Hoyt might have with Hershaft, HSUS and FARM have

instead, an advocate of "animal rights." Hoyt claimed that in using the words "animal protection," Hershaft was attempting to "co-opt the kind of respectability that [HSUS] and a number of other organizations have worked hard to achieve in order to distinguish the legitimate animal protection movement from the more radical elements..." (emphasis added).

Hoyt is not the only HSUS person actively and vocally trashing animal rights. Amy Freeman Lee, a member of

with Hershaft, HSUS and FARM have

more in common than HSUS has with the United States Department of Agriculture, NIH, or AMA. No one (including me) is denying HSUS the right to promote the utilitarian or protectionist philosophy. But what does HSUS feel compelled to discredit the animal rights position? Why does HSUS feel compelled to try to link the animal rights positions with a parade of horrors relied on by vivisectionists to discredit our movement. Does Hoyt mean to suggest that the philosophy of animal rights, as articulated by Tom Regan and others, is not legitimate or respectable? Or is HSUS just jumping on the bandwagon and marching to the tune played by NIH and AMA so it can try to raise more money from the "doggy/kitty" people who want desperately to preserve the status quo and keep eating the rotting corpses of nonhumans and attending those socially correct National Cancer Society galas? Or is Hoyt merely succumbing to pressure from an elitist board of Directors that seeks to propagate the paternalistic ethic that we must be "kind" to animals while we torture them in laboratories, or rip them apart at fancy dinner parties. Whatever is going on, Hoyt and Lee should be ashamed of themselves for making HSUS the hypocritical mouthpiece of the most vile of animal exploiters. Whatever is going on, perhaps it is time to drag HSUS into the 20th century in exactly the same way animal rights activists have done with the New England Anti-Vivisection Society.

In the past decade, the clear strategy of the animal rights movement has been to accept diversity within the movement, and to try to achieve some sort of unity despite the ostensibly unlimited range of viewpoints represented within this so-called "movement." The expression "animal rights movement" has become a virtually meaningless umbrella term used to cover the approaches and ideologies of myriad organizations that have only one thing in common: a focus on some aspect of the treatment of nonhuman animals. The result is that many people within the movement—not to mention the rest of the world outside the movement—have lost their ability to distinguish the animal rights position from other positions that explicitly reject animal rights and that actually seek to defend the exploitation of animals. We are all "animal" people, so the tolerance for diversity theory goes, and we should all try to disregard our differences and work together for the good of animals.

Although this tolerance for diversity might be justified if different factions were willing to work together on issues where there was some agreement or, at least, not to attack each other publicly, it becomes strategically unwise both as a matter of theory and practice when ele-

ments within the humane community are willing to use their insider status to attack the animal rights position using the exact rhetoric and arguments adopted by the animal exploiters themselves. Perhaps the mimicking of the arguments of animal exploiters by groups HSUS is inevitable given the feeble "utilitarian"—oh, excuse me, Mr. Hoyt, the "protectionist" stand—adopted by HSUS.

Perhaps the problem is that in the final analysis, the theory of animal rights is simply not consistent with the theory of animal welfare or other approaches that reject the rights view and, more importantly, embrace animal exploitation. We would all agree that the person who sought the abolition of human slavery had absolutely nothing in common with the person who wanted to retain slavery as an institution, but who wanted to ensure that the slaves were treated more "humanely." Why would we ever believe that the animal rights advocate, who is committed to the abolition of the institutions of animal exploitation, would have any more in common with the utilitarian whose most ambitious goal is to ensure that animals used for food, experiments, clothing, or entertainment continue to be exploited, but in a more "acceptable" manner? Animal rights means dramatic social changes for humans and nonhumans alike; if our bourgeois values prevent us from accepting these changes, then we have no right to call ourselves advocates of animal rights.

Our continued failure to reject these groups as not a part of our movement shrouds them with the very mantle of "legitimacy" that people like Hoyt claim we derive from such anachronistic and irrelevant groups as HSUS. Although groups like HSUS have no problem "free riding" off the efforts and successes of the animal rights movement, and in raising money from animal rights advocates who do not recognize that HSUS explicitly endorses the exploitation of animals, it also has no problem in using its position as an insider to attack the movement and the concept of animal rights.

On a practical level, these inside critics are far more dangerous to our movement than are the outsiders who oppose us, and the reason for this increased danger is clear. When, for example, someone like the AMA or NIH criticizes the animal rights movement as not legitimate or as not respectable, such a comment is understood as coming from someone who has a vested interest in continuing the practice of animal exploitation and who has a corresponding self interest in discrediting our actions and ideas through hyperbole and distortion. When, however, a supposed animal organization like HSUS criticizes the animal rights position as not legitimate or respectable, then that criti-

cism is seen as having more credibility because it is perceived as coming from within the movement itself and the public may conclude that members of the humane community can have no interest in dishonestly portraying their colleagues. We must understand—and we must make the public understand—that within the animal movement, there are defenders of exploitation no less hostile to animal rights than the exploiters outside the movement. Moreover, groups like HSUS are using funds donated by unsuspecting animal rights advocates in order to fight the actions of animal rights advocates.

Many people have considered the diversity of the movement to be one of its greatest strengths. It is important to recognize, however, that tolerance—or even an embrace—of diversity does not mean we must accept as part of our movement that who adopt the rhetoric and the strategy of the most vile animal exploiters.

In all fairness to Hoyt, it appears as though HSUS is, at least, apparently not trying to hide its blatant hostility to the animal rights position. It is important, however, that our movement—the animal rights movement—make it clear that Hoyt's letter and Lee's diatribes against the animal rights movement must be condemned, and that animal rights advocates can no longer support—financially or otherwise—HSUS. In lecturing around the country, I have met countless animal rights advocates who tell me that they support organizations like HSUS. Well, wake up! Hoyt and Lee have made it clear that they do not deserve one cent from advocates of animal rights.

The First Amendment of the Bill of Rights of the United States Constitution protects free speech. Everyone, including animal exploiters, and the supposed "humane" organizations that defend exploitation, must be permitted to express their views. It is necessary, however, that we in the animal rights movement make clear that supposed humane organizations that defend exploitation are not part of our movement.

If the more moderate elements within the humane community continue to try to destroy the progressive rights movement by using the arguments of animal exploiters, those moderate elements may find themselves outside the movement entirely, and regarded by the movement, and by the public generally, as indistinguishable from the exploiters whose arguments they are so quick to adopt.

Gary L. Francione is Professor of Law at Rutgers Law School, and is Director of the Rutgers Animal Rights Law Clinic. Professor Francione's comments are his own, and should not be attributed to Rutgers University, The Animals' Voice Magazine, or any other person or institution.

HSUS In Hot Water Again

The Humane Society of the U.S. has "engaged in a course of conduct" that "violated the charity trust laws of California," the state attorney general's office has advised the group. Syndicated investigative columnists Jack Anderson and Dale Van Atta reported on Feb. 20 that in consequence, HSUS funds raised in California could be seized by the state and redirected to other animal-related projects.

According to Anderson and Van Atta, specific concerns of the Calif. attorney general are that president John Hoyt "lives in a \$310,000 house bought by HSUS, using money that donors gave for prevention of cruelty to animals"; "the hiring of David Wills as vice president for investigations," two years after Wills "left the Michigan Humane Society in a financial condition that is still under investigation"; "money the society paid to Paul Irwin, the treasurer, to help fix up oceanfront property in Maine"; and "trips Hoyt's wife made on the charity's tab and other perks for Hoyt and Irwin," whose salaries are respectively \$146,927 and \$123,301 a year.

Asked for response, Hoyt told The ANIMALS' AGENDA, "No comment."

Most of the charges were published in 1988 by both Anderson and Van Atta and The ANIMALS' AGENDA, after which Hoyt cancelled an annual HSUS contribution to The ANIMALS' AGENDA of \$5,000 a year (and apparently also cancelled publication of a 300-page economic study of the fur trade authored by ANIMALS' AGENDA news editor Merritt Clifton just before Clifton joined the ANIMALS' AGENDA staff).

Wills, who said he made \$100,000 a year as director of Michigan Humane, was reportedly cleared of wrongdoing in connection with an MHS deficit of as much as \$250,000, but former bookkeeper Denise Hopkins was charged with embezzling about \$60,000.

Hoyt, American SPCA president John Kullberg, and Massachusetts SPCA president Gus Thornton were already under fire for a joint statement of "Resolutions for the 1990s" they co-authored and published as an advertisement in the Jan. 29 *New York Times*. Intended to counter criticism of animal rights militancy, the statement was endorsed by 104 of several thousand animal protection groups who were invited to sign on. It backfired somewhat when, five days later, it was also partially endorsed by the Fur Information Council of America, the leading fur industry defense organization.

The statement clearly noted that

"trapping, hunting and raising of animals for their fur are unjustifiable, cruel practices," and affirmed that all signatories intend to continue to "urge the public not to purchase or wear fur."

However, the first listed resolution, a declaration of nonviolent principle, included the words "threats and acts of violence against people and willful destruction and theft of property have been associated with the animal protection movement." That enabled FICA to welcome what it called "long overdue pronouncements" and "a new approach," refocusing attention on the militant tactics of a miniscule few, rather than the suffering of animals.

Hoyt had prominently used the same phrase in a Sept. 1990 letter to *Science* magazine—and had already caught flak for months from animal advocates who felt he should have made plain that most have neither used nor accepted any violent tactics.

Hoyt was more clear in an Oct. 27 address to HSUS membership, distinguishing between the animal rights and animal welfare philosophies, expressing concern that confrontational tactics perhaps useful a decade ago have become counterproductive, acknowledging the value of appropriately focused civil disobedience, further acknowledging the contributions of animal rights groups to advancing animal welfare, and explaining why HSUS prefers to avoid alienating the societal mainstream by encouraging incremental change, rather than demanding overnight turnaround.

Hoyt's analysis of the position of the animal cause was not new or unique. Sociologist Bill Moyer offered similar impressions at the Sept. 1989 movement planning workshop co-hosted by The ANIMALS' AGENDA and Friends of Animals, and numerous groups have reassessed campaign strategies in light of Moyer's advice that activists must strive to uphold an image as good citizens. As a whole, though Hoyt criticized PETA and Mobilization for Animals by name, his speech was apparently designed to close rifts, rather than open them.

But Hoyt's tone had been much less conciliatory in a Sept. 13 memo to former U.S. Secretary of Agriculture Clayton Yeutter, disavowing any association with a heavily rhetorical and rather undiplomatic request for a meeting with Yeutter from Farm Animal Reform Movement president Alex Hershaft. Hershaft's letter had opened with the assertion that "The several million members of our nation's animal



John Hoyt

protection movement and millions of other compassionate Americans are deeply disturbed by the rapidly deteriorating conditions...in U.S. factory farms," followed by a two-paragraph recitation of common abuses, a paragraph stating there could be no debate about such "immorality," and the charge that "Federal farm animal protection statutes are non-existent or not enforced," all preceding the request itself, which was made on behalf of "several key leaders of the U.S. animal protection movement." Hoyt's name had been appended (without permission), along with those of several other animal protection group heads.

Hershaft, Hoyt charged, "in no way speaks for the U.S. animal protection movement. He is, rather, associated with the animal rights movement through and through. He has...chosen to utilize the term 'animal protection' in an attempt to co-opt the kind of respectability that HSUS and a few other organizations have worked hard to achieve in order to distinguish the legitimate animal protection movement from the more radical elements."

Obtaining a copy of the memo, Hershaft made it public on November 24. HSUS vice president for companion animals Phyllis Wright meanwhile blasted neuter-and-release programs for feral cats at length in *Cat Fancy*, naming PETA (though the tactic has been developed and advanced by mainstream humane groups); and on Nov. 14, according to John Hollrah of Voice for Animals, HSUS board member Amy Freeman Lee told an audience at the University of Texas Health Science Center that "Animal rights...is a pejorative term." "Animal rights groups are a fanatical fringe," and defended vivisection without anesthesia "if it were necessary to advance medical science."

Continued on next page

Continued from previous page

Like Hershaft, Hollrah widely circulated a letter of protest. Hershaft then suggested HSUS might be "actively engaged in a national campaign

to discredit the animal rights movement," and asked that the purported "disinformation campaign" be discussed at the Summit for Animals, an annual gathering of animal defense group

leaders, which HSUS has not attended since 1988. The Summit, however, declined to take up the issue.

—M.C.

MONEY MAKES THE WORLD GO AROUND

Guard Your Wallet

The direct-mail fundraising firm Watson and Hughey is at it again, trying to rent animal protection groups' mailing lists for use by Citizens for Humane Scientific Research, "a program of Project Cure." Project Cure and another Watson and Hughey charity purporting to aid animals, the National Animal Protection Fund a.k.a. Adopt-A-Pet, were among eight of the fundraiser's clients who joined Watson and Hughey in agreeing last January to pay \$2.1 million to settle prosecutions by 10 states for deceptive solicitation. Both groups were also on a list of allegedly fraudulent fund-seekers published by Ann Landers in 1989.

Pro-Fur and Pro-Hunting Groups in Trouble

Admittedly as much as \$400,000 in debt, the Fur Information Council of America has denied published claims that it owes as much as \$500,000 to the public relations firm Burson-Marsteller, \$300,000 to the Fur Farm Animal Welfare Coalition and/or Fur America, and \$120,000 to \$150,000 to consumer

publications for pro-fur ads placed in late 1990. *Fur Age Weekly* reported Feb. 25 that retail contributions to FICA fell by half in 1990.

The pro-hunting National Wildlife Federation and Wilderness Society are also in financial trouble due to low donations during the 1990 Christmas season. While anxiety over the impending Persian Gulf war and recession brought an estimated 40 percent drop in donations to charities across the spectrum, from animal shelters to symphonies, NWF and WS were the first in the areas of animal and habitat protection to lay off staff. NWF president Jay Hair dismissed 56 of his 780 employees, while delaying a scheduled increase in his own salary of \$220,000. The Wilderness Society laid off seven of 135 employees.

Sex v. Pay

Of the 44 animal and habitat protection group heads whose 1989 compensation was listed in the April ANIMALS' AGENDA, the 27 men who drew a salary averaged \$85,830. The nine women who drew a salary averaged \$57,318. Six men and two women did

not accept any financial compensation. Of the 158 highest paid group staffers, 120 were men. Only three of the 18 best-paid staffers were women; eight of the 18 lowest-paid staffers were. Survey data indicates that the contributor base of the groups listed is approximately 80 percent female.

—M.C.

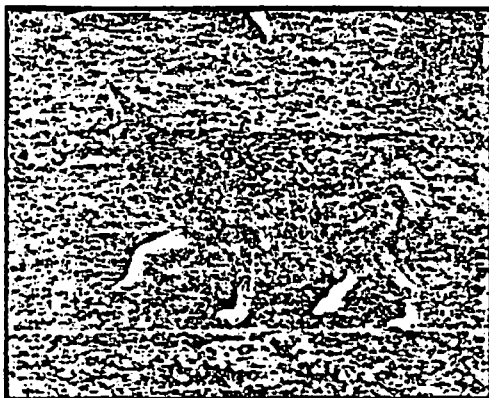


Reprinted Courtesy O'Neil Magazine © 1991

ADC Fiscal Recommendation Due This Month

Animal defenders have only days to oppose renewed funding of wildlife massacres under the federal Animal Damage Control Program. The Senate and House Appropriations Subcommittees on Agriculture, Rural Development, and Related Agencies are expected to recommend an ADC budget for the coming fiscal year in mid-May.

As discussion of the ADC appropriation began, the ADC resumed shooting coyotes from the air at the Prescott National Forest in Arizona, purportedly to protect pronghorn antelope fawns, over protest from Prescott National Forest Friends. Last year the ADC spent \$22,000 to kill 108 coyotes at and around the Prescott forest. Even so, no pronghorn fawns survived. PNFF argues that



Merri Cahan

the real reasons for the failure of pronghorn reproduction are overgrazing by ranchers who lease National Forest grazing rights, destruction of brush

cover by cattle, and obstruction of pronghorn trails by five-strand barbed wire fences, which the small antelope often are unable to leap.

Formed in 1931, as dustbowl-stricken ranchers blamed predators for Great Depression economic woes rather than their own overgrazing and destruction of watershed, the ADC spends approximately \$30 million a year with a mandate to conduct "campaigns for the destruction or control of animals injurious to agriculture, horticulture, forestry, animal husbandry, wild game animals, furbearing animals, and birds."

The ADC now operates in 14 states, killing an average of about 4.6 million birds and 250,000 mammals a year.

Continued on next page

JACK ANDERSON and DALE VAN ATTA

Questions on Humane Society Finances

John Hoyt, president of the Humane Society of the United States, once told the society's animal lovers how they could become more humane: "We begin, I suggest, by living more simply, more sparingly."

Hoyt lives in a \$310,000 house bought by the Humane Society, using money that donors gave for prevention of cruelty to animals.

The California Attorney General's Office is now taking a look at that perk and other curious financial decisions made by the national animal protection agency based in Washington.

After reviewing documents about the way the Humane Society is managed, the California attorney general wrote a terse letter to the society stating that, in his opinion, the charity had "engaged in a course of conduct" that "violated" the charity trust laws of California. Much of the money for the national society is raised in California.

The Humane Society sent a letter of response asserting that its problems had been ironed out, but the deputy attorney general told our associate Jim Lynch that his opinion hasn't changed.

In 1988 we reported on an internal investigation into Humane Society finances. The first of two internal reports said a series of "self-dealing" transactions by the charity had benefited Hoyt and the society's vice president and treasurer, Paul Irwin. The big-ticket item was Hoyt's house, which the society bought and lets him live in rent-free.

After our first reports in 1988, instead of cleaning house, the Humane Society hired a consultant for advice on how to handle "negative

press." The consultant suggested that the society should have responded to our initial questions two years ago. Apparently that advice was ignored. The Humane Society's attorney did not respond to our questions this time around either.

The latest rub at the Humane Society is the hiring of David Wills as vice president for investigations. In 1987, when Wills was running the Michigan Humane Society, Hoyt tried to convince his board that the national society and the Michigan society should be merged. The national society is not tied to the many state and local humane societies, and the merger with one state agency didn't make sense to the board, so it was vetoed. Two years ago Wills left the Michigan agency in a financial condition that is still under investigation. Hoyt then hired him, and one former board member told us Hoyt is grooming Wills to be his successor.

The National Charities Information Bureau in New York, a watchdog group, does not give the Humane Society of the United States a thumbs up. "We still have some questions about their financial reporting," said bureau spokesman Dan Langan.

Hoyt's house is not the only thing that smells bad in the books. The California attorney general is also looking into money the society paid to Irwin, the treasurer, to help fix up oceanfront property in Maine. Then there is the matter of trips Hoyt's wife made on the charity's tab and other perks for Hoyt and Irwin.

If California decides the Humane Society stepped out of line, it could seize the money collected in California and spend it directly on animal care.

Ritter Drew \$140,000 for Personal Expenses From Trust for Youths

By M. A. FARBER

Special to The New York Times

NEW YORK, March 6 — The Rev. Bruce Ritter received \$140,000 from a tax-exempt trust created to benefit runaway youths, he and the fund's trustee have acknowledged.

The 63-year-old Franciscan priest, who resigned under pressure last week as president of Covenant House, said he had used the money, which he had contributed to the fund, to cover his expenses and conduct his ministry.

The trustee, Edmund J. Burns, also counsel to Covenant House, portrayed the \$140,000 as contributions to the Franciscan order. But Father Ritter said in an interview the money went to him.

He said he had standing authorization from his order, the Franciscan Minor Conventual, to use the money for personal expenses. The order has said it did not know of the trust.

Limits on Uses

Father Ritter said that he eventually redeposited some of the money the trust had paid to him, and that all the transactions were legal.

Starting in 1986, because he wanted

to avoid possible criticism of his \$98,000-a-year salary, Father Ritter arranged to have \$60,000 of it given to the trust each year.

A spokesman for the Internal Revenue Service, which gave the fund tax-exempt status in 1985, said today that donations to a charitable trust have to be used for the purposes for which the trust was established. "You can't give it with the idea of taking it back," he added. The spokesman, Robert Kobel, said he was barred by law from saying whether the fund was under investigation.

The existence of the nearly \$1 million fund, the Franciscan Charitable Trust, was disclosed last weekend to most members of the Covenant House board. The New York Times reported today that the fund had not been registered with the state and had been used in part to make loans to two Covenant House board members and a sister of Father Ritter.

Later today, representatives of Covenant House met with the staff of State Attorney General Robert Abrams and volunteered to register the trust and then to dismantle it. A spokesman for Mr. Abrams, Timothy Gilles, said the

office had opened an investigation into the trust, and into personal loans Covenant House made last year to three executives, including Father Ritter.

Since December, when a former male prostitute accused Father Ritter of drawing him into a sexual relationship, the priest and Covenant House, which he founded, have been under virtual siege, imperiling the future of the \$87 million-a-year organization, which serves 25,000 youths a year worldwide. Father Ritter has strenuously denied the sexual allegations.

Obligations of the Trust

The disclosures about the Franciscan Charitable Trust have led to the resignations of the two board members who received loans, James J. Maguire and Dr. James T. Kennedy.

In an interview on Monday, Mr. Burns discussed investments by the trust. On three occasions, he said, it purchased shares in Lehigh Valley Industries, which he described as an environmental concern. Mr. Burns said the fund lost \$1,000 in two trades, but still held a substantial investment.

Mr. Burns also provided details of previously reported loans by Covenant

House — not the trust — to organization executives, without the knowledge of the board.

Two such interest-bearing loans, he said, were made last year. One was for \$100,000, to enable a senior vice president and director of communication, John Kells, to buy a cooperative apartment in Manhattan. The other loan, for \$60,000, was for a second mortgage of the home of James Kelly, who was moving from the Covenant House operation in New Orleans to head the office in Washington.

Father Ritter last year took a loan from Covenant House, for \$25,000 to support a \$100,000 investment by the Franciscan Charitable Trust in a land deal in Riverhead, N.Y. Mr. Burns said he, too, was an investor.

Mr. Burns said the loans had never been made known to Covenant House board members, acknowledging, "I think they should have had a chance to approve them."

The acting president of Covenant House, James J. Harnett, conceded that he and Father Ritter knew of the loans. "I made a big mistake," he said. "I should have insisted that they be approved by the board."

Have you heard this story before?

Careers

Elizabeth M. Fowler

H.S.U.S.

Executive Pay Called Too High

IT is getting worse," Peter G. Scotese said recently of the spiraling total pay for top executives. "I think it is out of control."

A retired chief executive of Springs Industries, a Southern textile company, and now a director of the Dollar Dry Dock Bank, Mr. Scotese is now a management consultant.

Arthur Taylor, a former top corporate official and now dean of Fordham University's graduate business school, also feels executive salaries are too high, and said, "Something has to be done about it."

He spoke of the gap between salaries of top managers and low-level managers with high technical and professional skills. "This troublesome gap is widening all the time," he said.

Low-level managers are required to make important decisions in downsized corporations, Mr. Taylor pointed out. An article in Exchange,



Richard Bennett

the Duke University business school's magazine, confirmed this: "The severe downsizing of major companies will not eliminate responsibilities but distribute them further down in organizations."

Low-level managers often have more training and education than managers at the top who receive millions of dollars in salary, bonuses and incentives like stock options and supplemental retirement pay.

Mr. Taylor noted that 70,000 M.B.A.'s graduate each year, all hoping that after a stint as low-level managers they can reach the top — an impossible dream for most.

Mr. Scotese and Mr. Taylor take a

dim view of the ever-growing monetary value of "golden parachutes and handshakes." For example, Steven Ross, a co-chairman of Time Warner Inc., can receive \$200 million if he is dismissed. He also received a long-term bonus of about \$88 million.

In big companies small investors have little say. A recent study by the consultants Sirota Alper & Pflaum found that 73 percent of investors believe top management receives too much.

Mr. Scotese believes the task of slowing the pace of top managerial payments, now heading for "the stratosphere," must come from institutional investors, including large pension funds. "They should be saying to top management, 'this isn't right,'" Mr. Scotese said, linking it with ethics.

Directors cannot control the pay of top management because so many are on rubber stamp boards, selected by chief executives and their allies, the two critics pointed out.

"Major offenders are compensation consulting firms," Mr. Scotese said. "The C.E.O.'s say to the board, 'we hired a consulting firm and the people tell us executive salaries are too low.'" Yet compensation firms usually owe their livelihood to the use by chief executives.

To this group Mr. Taylor would add management recruiting firms, which place top executives for a fee based on a percentage of salary and perquisites.

Research fraud often goes unpunished

By Jack Anderson
and Dale Van Atta

WASHINGTON — A Colorado doctor gives an overdose of an experimental drug to three patients and one of them dies. The doctor is allowed to continue practicing, and the Food and Drug Administration simply tells him he can't test new drugs anymore.

Evidence is uncovered that three California doctors tampered with the results of their study of a pain killer. All three are allowed to continue testing drugs with some precautions, even though one eventually pleads guilty to submitting false data to the government.

A Washington, D.C., doctor admits that some people in his study had a violent reaction to an experimental drug, and he hid the information. He cuts a deal with the FDA to continue testing drugs under supervision.

These cases and many more have been exhaustively documented by inspectors from the FDA's Scientific Investigation Division. But unless some U.S. attorney with nothing better to do decides to prosecute, doctors accused of research fraud have little to fear.

penalties so low, that prosecution is a waste of time.

Only 18 doctors have ever been hauled into court for research fraud, according to FDA authorities. In the vast majority of cases, the FDA settles for a slap on the wrist. The doctor loses the right to test or is allowed to continue testing under supervision.

A bill, expected to be filed today by Rep. Pete Stark, D-Calif., will raise the risks significantly for lab-coated criminals. Stark's proposal would ban Medicare payments to doctors who violate drug testing rules and endanger their patients.

Few doctors make their living on research alone. Their private practices count on Medicare patients. Dr. Alan Lisook, branch chief at the FDA's Scientific Investigation Division, says the Stark bill will hit those doctors where it hurts, in the wallet.

The good news is that, even without the bill, bogus research appears to be on the wane. Lisook told our associate Stewart Harris. Ten years ago, roughly 10 percent of all random inspections turned up some irregularities in drug testing. Now only 6 percent of the inspections point to research fraud.

In some of those cases the patients didn't even know they were guinea pigs. Stark's bill will cover researchers who can't prove that they obtained the consent of their patients. Records of investigations we ob-



**Washington
Merry-
Go-Round**

**Jack
Anderson**

tained show the problem of uninformed patients is widespread and pernicious.

One researcher crushed an experimental pill and fed it to a patient in her applesauce after she said she wanted out of the drug study, according to an FDA investigation.

Stark penned his bill because a constituent, Mike Rego, complained about being an unwitting guinea pig. Rego's skin condition was treated with a highly toxic experimental drug at a Veterans Administration hospital in San Francisco. An investigation of the files of his doctor, Herschel Zackheim, turned up no consent form for Rego.

Zackheim says all of his patients were told about the drug experiment, although he concedes that consent forms can't be found for all of them. Now Rego suffers from a nerve disorder which at least one doctor has linked to the use of the drug.

Both Mr. Taylor and Mr. Scott
find that public opinion against
growing, with some effect but
enough.
Mr. Sciosese pointed out
"These executives often are
out or put them in bankruptcy
waited for negative performance
at

THURSDAY, OCTOBER 13, 1988

43 44 45

THE WASHINGTON POST



JACK ANDERSON and JOSEPH SPEAR

Where Charity Begins at the Top

Top dogs in the animal-rights business have rallied around the Humane Society of the United States since we hinted at how much money there is to be made in the top ranks of animal charities.

We reported that national Humane Society President John Hoyt and Treasurer Paul Irwin were reaping far more compensation for their work than even their board members knew. Last year, in lieu of a portion of his compensation, the Humane Society bought Hoyt a \$310,000 home in Maryland. It also allowed Irwin to write himself \$85,000 in checks for another real-estate venture, which was later considered by the board to be a loan.

The Humane Society gets its money with heart-tugging pleas to donors that "The animals need it now," and contributions will be "put into action on the front line immediately."

The questionable financial transactions for Hoyt and Irwin prompted the Humane Society board to hire two Washington law firms to conduct separate investigations of the dealings.

But, presidents of two of the wealthiest animal organizations in the country wrote letters defending Hoyt and complaining that we were out of line to question the dealings.

Frederick J. Davis, president of the Massachusetts Society for the Prevention of Cruelty to Animals, defended Hoyt: "I am confident that future disclosures of all the facts will document his integrity."

John F. Kullberg, president of the American Society for the Prevention of Cruelty to Animals, wrote there was nothing unusual about Hoyt's

salary. Kullberg said the average salary for the president of a nonprofit organization is about \$119,000, although he was careful to add a "disclaimer," that his salary is less than Hoyt's and "I am not given a house to live in."

We reported that Hoyt's and Irwin's compensation did not stop with salaries. In all, their salaries and benefits amounted to more than \$139,000 and \$114,000, respectively.

Maybe our report on the money to be made in animal charities hit too close to home. Davis and Kullberg run wealthy nonprofit organizations themselves. A 1983 report published by an Ohio animal-rights group, Mobilization for Animals, noted that Davis' Massachusetts Society for the Prevention of Cruelty to Animals, was the wealthiest animal-welfare group in the country, with more than \$40 million in assets. Kullberg's American Society for the Prevention of Cruelty to Animals was in ninth place with \$6 million in assets. Hoyt's Humane Society of the United States placed fourth with assets of more than \$11 million.

Peter Paul, a San Francisco journalist, recently finished a four-year study of charities in the United States and abroad. His upcoming book, "Easy Pickings," includes a chapter on animal organizations. Paul told our associate Jim Lynch, "I tell people if you want to get rich, get into AIDS, animal rights or missing children."

Paul thinks Humane Society literature should include a disclaimer that the national society is not connected with local humane societies that must raise their own funds to run animal shelters and other projects.

BROOM HILDA RUSSELL

JACK ANDERSON and DALE VAN ATTA

Dubious Deals in the Humane Society

The Humane Society of the United States solicits your donations with a tug on the heart strings—"the animals need us now"—and a promise that your money will be "put into action on the front line immediately."

But the nonprofit charity, based here, does not advertise everything that happens on the "front line." For example, the society bought its president a \$310,000 home in Maryland last year. And the society's treasurer wrote himself \$85,000 in checks last year as reimbursements for lease payments and improvements on ocean-front real estate in Maine.

Recent investigations reveal that the Humane Society's board of directors never authorized these and other dubious financial deals arranged by its officers—deals that could threaten the tax-exempt status of the society.

The situation has until now been kept from the public, but board members first learned about it late last year. In December, the board formed an audit committee and ordered an independent investigation of the books.

In April, the Washington law firm of Harmon and Weiss completed a critical preliminary report spotlighting the "self-dealing" transactions that benefited Humane Society President John Hoyt and Vice President-Treasurer Paul Irwin.

The law firm found that on May 4, 1987, the society bought Hoyt's house in Germantown for \$310,000. Hoyt had lived there since 1970 and still lives there, but now rent-free. The society provides the house for its president in lieu of a portion of his compensation.

In October 1987, the society gave Irwin \$85,000, allegedly to reimburse him for payments he made on the lease of 11 acres of ocean-front land and restoration of a cabin in Phippsburg, Maine.

A three-person committee approved the expenses for Hoyt and Irwin without asking the majority of the board, although the society's bylaws require the board to set the president's compensation, according to the Harmon and Weiss report.

Hoyt and Irwin maintain the two purchases were for the good of the society. Hoyt's home purportedly will be used by future presidents. The organization was to have an interest in the ocean-front property, but the board has since decided to consider the \$85,000 as a loan and Irwin must pay it back, a source in the society told our associate, Jim Lynch.

Hoyt, Irwin and the society's lawyer did not respond to repeated requests for interviews.

The Harmon and Weiss report alleges that the society has prepared and filed "false documents" with the federal government. The society and certain directors could face civil penalties because of those documents, and possible criminal penalties for "aiding and abetting in Hoyt's and Irwin's understatement of income," according to the report.

Not surprisingly, the board hired a lawyer, Jacob A. Stein, in April for a second opinion. Stein handed over his report in July. He verified many of the Harmon and Weiss findings but reached different conclusions. Stein recommended some changes in procedure, but said nothing criminal had taken place and the Humane Society's tax-exempt status was not in jeopardy.

BROOM HILDA RUSSELL MYERS

WHAT'S WRONG, IRWIN?
THESE GUYS WON'T EAT THE
WORMS I GOT FOR 'EM!

DO LIKE THEIR MAMA DID.
PUT THE WORMS IN THEIR
BEAKS WITH YOUR BEAK!

CAN YOU IMAGINE HOW MUCH
IT'S GONNA COST ME FOR
MOUTHWASH??

RUSSELL MYERS 9/88

JACK ANDERSON and JOSEPH SPEAR

'Excessive' Pay at Humane Society

Protecting animals from abuse is the urgent business of the Humane Society; an internal dispute over a financial scandal is equally pressing business.

In the past nine months, the board of directors of the national Humane Society in Washington has hired two law firms to conduct independent investigations of its finances. Both probes revealed that the two top officers of the nonprofit charity receive significant compensation in addition to their salaries.

The law firm of Harmon and Weiss concluded that "excessive compensation payments" that were not authorized by the Humane Society's full board, "threaten the status of [the society] as a charity under the federal tax law and appear to constitute a wasting of its assets." The second report, by attorney Jacob A. Stein, agreed that mistakes were made, but said they were not criminal and did not threaten the society's tax-free status.

The Humane Society's Internal Revenue Service forms for 1987 indicated that President John Hoyt received \$95,000 and Vice President-Treasurer Paul Irwin received \$80,000 from the organization for their services. But those IRS filings failed to include other benefits to Hoyt and Irwin.

Over the past four years, Hoyt and Irwin also have received money from two affiliates of the Humane Society—the National Association for the Advancement of Humane Education and the National Humane Education Center—without the knowledge of the Humane Society's full board.

Since 1985, the NHEC, which is controlled by

the Humane Society, has paid Hoyt \$55,000 and Irwin \$38,000. The NAAHE paid Irwin \$10,000 during the past two years.

Those payments, according to the investigations, involved transfers between various bank accounts by Irwin, the treasurer.

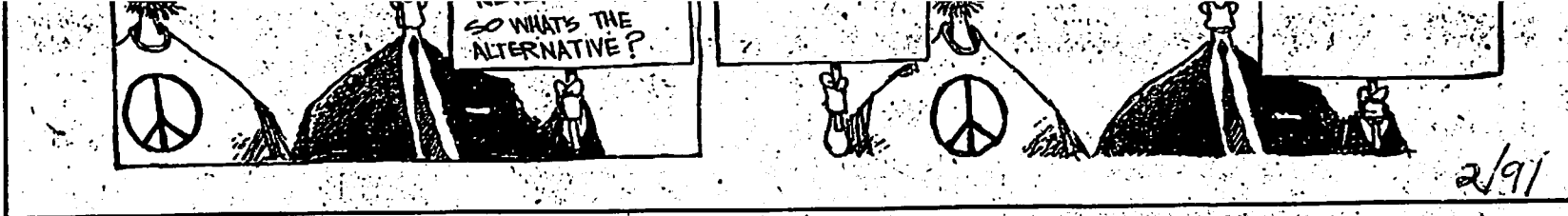
Stein reported, "The reason for channeling of the payments through the two corporations is that the salaries of Mr. Hoyt and Mr. Irwin were to be concealed from other organizations. The problem with it all is that it was concealed from the full board of [the Humane Society]."

When the payments appeared on the 1987 IRS Form 990, they were not credited to Hoyt or Irwin, but rather called "payments to annuitants." The board never approved them.

The Humane Society also pays \$12,822 a year in insurance premiums for Hoyt and \$9,635 for Irwin. The insurance premiums and other benefits boosted Hoyt's compensation to \$139,622 and Irwin's to \$114,325 last year, according to Stein's report.

But those figures do not include two other financial transactions that we reported in an earlier column. In May 1987, the Humane Society bought Hoyt's house for \$310,000, and now allows him to live there rent-free. The Humane Society's IRS filing said the rent was worth \$600 a month, but the Harmon and Weiss report placed the rental value between \$2,500 and \$3,000 a month.

In communications to their board and the investigating law firms, Hoyt and Irwin have maintained that they did nothing wrong. Neither responded to our repeated requests for interviews.



Humane chief lives the good life

By Jack Anderson
and Dale Van Atta

WASHINGTON — John Hoyt, president of the Humane Society of the United States, once told the society's animal lovers how they could become more humane: "We begin, I suggest, by living more simply, more sparingly."

Hoyt lives in a \$310,000 house bought by the Humane Society, using money that donors gave for prevention of cruelty to animals.

The California Attorney General's Office is now taking a look at that perk and other curious financial decisions made by the national animal protection agency based in Washington, D.C.

After reviewing documents about the way the Humane Society is managed, the California attorney general wrote a terse letter to the society stating that, in his opinion, the charity had "engaged in a course of conduct" that "violated" the charity trust laws of California. Much of the money for the national society is raised in California.

The Humane Society sent a letter of response claiming its problems had been ironed out, but the deputy attorney general told our associate Jim Lynch that his opinion hasn't changed.

In 1988 we reported on an internal investigation into Humane Society finances. The first of two internal reports said that a series of "self-dealing" transactions by the charity had benefited Hoyt and the society's vice president and treasurer, Paul Irwin. The big-ticket item was Hoyt's house, which the society bought and lets him live in rent-free.

Since our initial reports, six members of the Humane Society board were not invited to stay on when their terms expired. One former member told us that all of the rejects had questioned the way the Humane Society spent its money.

After our first reports in 1988, instead of cleaning house the Humane Society hired a consultant for advice on how to handle "negative press." The consultant suggested that the society should have responded to our initial questions two years ago. Apparently that advice fell on deaf ears. The Humane Society's attorney did not respond to our questions this time around either.

The latest rub at the Humane Society is the hiring of David Wills as vice president for investigations. In 1987, when Wills was running the Michigan Humane Society, Hoyt tried to convince his board that the na-



Washington
Merry-
Go-Round

Jack
Anderson

tional society and the Michigan society should be merged. The national society is not tied to the many hard-working, independent state and local humane societies, and the merger with one state agency didn't make sense to the board, so it was vetoed.

Two years ago Wills left the Michigan agency in a financial condition that is still under investigation. Wills has since admitted that he lied about his educational background on his resume, which helped him to get that job. Hoyt then hired him, and one former board member told us that Hoyt is grooming Wills to be his successor.

The National Charities Information Bureau in New York — a watchdog group that makes sure charities put their money where their principles are — does not give the Humane Society of the

United States a thumbs up. "We still have some questions about their financial reporting," the bureau spokesman Dan Langar told us.

Hoyt's house is not the only thing that smells bad in the books. The California attorney general is also looking into money the society paid to Irwin, the treasurer, to help fix up ocean front property in Maine. Then there is the little matter of trips Hoyt's wife made on the charity's tab and other perks for Hoyt and Irwin.

If California decides the Humane Society stepped out of line, it could seize the money collected in California and spend it directly on animal care.

HIDING BEHIND SKIRTS — Since the allied planes began raining destruction on Iraq, Saddam Hussein has hidden out in civilian neighborhoods. Intelligence reports claim that he conceals his command centers and other military assets in residential areas. When those areas are hit and civilians die, it is a boost for Saddam. He can then tell his people that the allies are targeting civilians. At the same time Saddam is so certain that isn't true that he puts himself and all of his essential hardware behind a human shield of women and children.

©1991, United Feature Syndicate, Inc.

continued advance
had been given a
"We fired them
"We know we
thermal sights,
N.Y. He said the
ing in a narrow gu
"I thought abo
Orth said. "But I
should have."
Orth said he
combat baptism
"You'd expect
minute," Orth sa
We didn't shoot in
Baker said the
premium on tak
valuable intelli
"I tell my sold
guys," he said.
Baker said he
from their probe.
"I don't know
shoot him," Bake

Ener

WASHINGTON — President Bush is a national energy strategy, Congress that relie promoting new en tion and only mod sation, govern say.

Bush was sche nounce his energy America today aft of public hearings administration deb

Even before however, the ad came under fire T environmentalist Democratic and lawmakers for not ly embracing measures.

Ten Republican a letter to Bush c conservation "a cri establishing dependence" and president to restore conservation meas

moving in right direction

recently told me that if you know how to obtain data, it is the same as knowing it. I'll buy that.

School improvements require commitment, time, resources, training and technical support. School improvement is an in-

was going to grow up with.

Programs such as Parents as Teachers point out how to speak positively to your child in a manner that raises self esteem. Such simple suggestions as "don't say don't" can have an



Free
Flight

regard for their own futures and the safety and future of others.

I actually felt sorry for those youths at the trial because I believe they sincerely did not mean for the violent situation to happen the way that it did. They

Finney pushe tax pl

Animal rights executives defend compensation for national officers

TOP DOGS IN the animal rights business have rallied around the Humane Society of the United States since we hinted at how much money there is to be made in the top ranks of animal charities.

We reported that national Humane Society President John Hoyt and Treasurer Paul Irwin were reaping far more compensation for their work than even their own board members knew. Last year, in lieu of a portion of his compensation, the Humane Society bought Hoyt a \$310,000 home in Maryland. It also allowed Irwin to write himself \$85,000 in checks for another real-estate venture, which was later considered by the board to be a loan.

The Humane Society gets its money with heart-tugging pleas to donors that "The animals need it now," and contributions will be "put into action on the front line immediately."

The questionable financial transactions for Hoyt and Irwin prompted the Humane Society board to hire two Washington law firms to conduct separate investigations of the dealings.

But, respected presidents of two of the wealthiest animal organizations in the country wrote letters defending Hoyt, and complaining that we were out of line to question the financial dealings.

Frederick J. Davis, president of the Massachusetts Society for the Prevention of Cruelty to Animals, defended Hoyt: "I am confident that future disclosures of all the facts will document his integrity."

John F. Kulberg, president of the American Society for the Prevention of Cruelty to Animals, wrote there was nothing unusual about Hoyt's salary. Kulberg said the average salary for the president of a non-profit organization is about \$119,000, although he was careful to add a "disclaimer," that his own salary is less than Hoyt's and "I am not given a house to live in."

WE REPORTED THAT Hoyt's and Irwin's compensation did not stop with salaries. In all, their salaries and benefits amounted to more than \$139,000 and \$114,000 respectively.

Maybe our report on the money to be made in animal charities hit too close to home. Davis and Kulberg run wealthy non-profit



**Jack Anderson
Joseph Spear**

than \$40 million in assets. Kulberg's American Society for the Prevention of Cruelty to Animals was in ninth place with \$6 million in assets. Hoyt's Humane Society of the United States placed fourth with assets of more than \$11 million.

Peter Paul, a San Francisco journalist, recently finished a four-year study of charities in the United States and abroad. His upcoming book, "Easy Pickings," includes a chapter on animal organizations. Paul told our associate Jim Lynch, "I tell people if you want to get rich, get into AIDS, animal rights or missing children."

PAUL THINKS HUMANE Society literature should include a disclaimer that the national society is not connected with local humane societies that must raise their own funds to run animal shelters and other projects. The

Humane Society of the United States is not an umbrella organization for local humane societies, he noted.

Dr. George Cave, president of Trans Species Unlimited of Williamsport, Pa., thinks too many animal welfare groups are more concerned with raising money than with animal suffering.

Trans Species Unlimited crusades for animal rights and works to expose what in Cave's opinion is "animal welfare fraud." Cave maintains that the animal rights movement has been slowed because most of the donations are sponged up by some large animal groups with high salaries and expensive corporate assets.

PENSION SKIMMING — Congress is looking into increased skimming from corporate pension funds. A company can legally skim excess pension funds when it terminates a pension plan. The only requirement is that enough is left in the plan to pay pensions at current levels. But the skimming wipes out any hope of future cost-of-living increases for pensioners.

Humane Society chief urges simple life, lives high on hog

WASHINGTON — John Hoyt, president of the Humane Society of the United States, once told the society's animal lovers how they could become more humane: "We begin, I suggest, by living more simply, more sparingly."

Hoyt lives in a \$310,000 house bought by the Humane Society, using money that donors gave for prevention of cruelty to animals.

The California Attorney General's Office is now taking a look at that perk and other curious financial decisions made by the national animal protection agency based in Washington, D.C.

After reviewing documents about the way the Humane Society is managed, the California attorney general wrote a terse letter to the society stating that, in his opinion, the charity had "engaged in a course of conduct" that "violated" the charity trust laws of California. Much of the money for the national society is raised in California.

The Humane Society sent a letter of response claiming its

Jack Anderson

United Media Syndicate

problems had been ironed out, but the deputy attorney general told our associate Jim Lynch that his opinion hasn't changed.

In 1988 we reported on an internal investigation into Humane Society finances. The first of two internal reports said that a series of "self-dealing" transactions by the charity had benefited Hoyt and the society's vice president and treasurer, Paul Irwin. The big-ticket item was Hoyt's house, which the society bought and lets him live in rent-free.

Since our initial reports, six members of the Humane Society board were not invited to stay on when their terms expired. One former member told us that all of the rejects had questioned the way the Humane Society spent its money.

After our first reports in 1988, instead of cleaning house the

Humane Society hired a consultant for advice on how to handle "negative press." The consultant suggested that the society should have responded to our initial questions two years ago. Apparently that advice fell on deaf ears. The Humane Society's attorney did not respond to our questions this time around either.

The latest rub at the Humane Society is the hiring of David Wills as vice president for investigations. In 1987, when Wills was running the Michigan Humane Society, Hoyt tried to convince his board that the national society and the Michigan society should be merged. The national society is not tied to the many hard-working, independent state and local humane societies, and the merger with one state agency didn't make sense to the board, so it was vetoed.

Two years ago Wills left the Michigan agency in a financial condition that is still under investigation. Wills has since admitted that he lied about his educational background on his resume, which helped him to get that job. Hoyt then hired him, and one former board member told us that Hoyt is grooming Wills to be his successor.

The National Charities Information Bureau in New York — a watchdog group that makes sure charities put their money where their principles are — does not give the Humane Society of the United States a thumbs up. "We still have some questions about their financial reporting," the bureau spokesman Dan Langan told us.

Hoyt's house is not the only thing that smells bad in the books. The California attorney general is also looking into money the society paid to Irwin, the treasurer, to help fix up ocean front property in Maine. Then there is the little matter of trips Hoyt's wife made on the charity's tab and other perks for Hoyt and Irwin.

If California decides the Humane Society stepped out of line, it could seize the money collected in California and spend it directly on animal care.

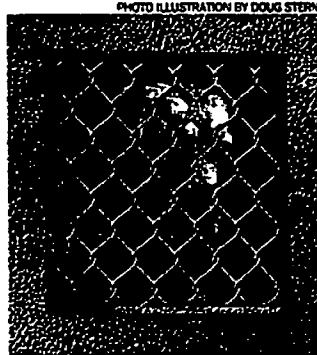
CATS AND DOGS

One nonprofit's woes

Some scandals involve sex or money. This one involves both. The Humane Society of the United States, one of the best-known animal-protection organizations in the country, seems an unlikely place for such happenings. But a top executive there was placed on administrative leave last month after three employees accused him of embezzling thousands of dollars. Two of the employees, both women, said the executive sexually harassed them.

The Washington-based society says outside investigators have been hired to probe the allegations against David Wills. He strongly denies the charges. Wills, 43, runs the society's cruelty investigations and directs its international operations.

Current and former Humane Society employees say the claims against Wills are only part of the problem. In interviews, they complained that the charity's \$24 million bud-



get was being drained by excessive fund-raising costs, fat salaries and big expense accounts. Robert Baker, a Humane Society consultant and former chief investigator, says: "The Humane Society should be worried about protecting animals from cruelty. It's not doing that. The place is all about power and money."

Top executives deny those accusations. They are well paid, however. The chief executive, John Hoyt, makes \$197,000 a year. The president, Paul Irwin, earns

\$186,000 annually and travels extensively, about 100,000 miles a year.

Hoyt and Irwin have been close to Wills. They attended his wedding at a seaside Mexican town in June. Irwin, a practicing minister, officiated. Hoyt and Irwin say they were on business there at the time. Neither has been implicated in any of Wills's alleged improprieties.

Undercover. Society officials are sensitive about possible fallout from the Wills mess. Small donors are the group's financial backbone. It has nearly 2 million contributors nationwide. The organization, which is not affiliated with local humane societies, has campaigned recently against the slaughter of whales, dolphins and elephants.

Wills was the man the society's leadership turned to when a tough job was at hand. Friends say he often traveled overseas on undercover assignments and handled cash payments to informers who helped expose animal cruelty.

The charges against Wills are contained in discrimination complaints filed with the

U.S. Equal Employment Opportunity Commission in Washington. Both Cristobel (Kitty) Block and Virginia Bollinger worked for Wills. They allege that he repeatedly forced his attentions on them. Along with a third Wills aide, Kimberly Roberts, they accused him of stealing funds earmarked for society projects and falsifying expense-account reports. Bollinger said Wills took girlfriends to dinner and identified them in expense reports as "biologists." Roberts detailed her claims in an 11-page statement. She said she uncovered "strong evidence of the embezzlement" of at least \$16,500 from society projects this year. She claimed there were other "questionable" expenditures by Wills, including "large cash sums," allegedly used for informers.

Top executives of the Humane Society declined to comment, except to say the charity's board was "disturbed" by the charges. The executives have ordered an "objective and thorough investigation."

BY EDWARD T. POUND