

Why are the Boy Scouts in the Serial Set? Congressionally Chartered Organizations – Audio transcript

Please stand by for realtime captions.

Hello, and welcome to the congressional charter organizations. Before we get started, I have some housekeeping reminders. First, be sure to use the chat box for questions, comments, and technical issues. We will keep track of all of your questions and make sure that they are addressed at the end of the presentation. Also, we are recording the conference. All registrants will receive links to the recording after the event. Please join me in welcoming our presenter. Please welcome our presenter. I will hand it over to her.

[Indiscernible - low volume]

You are a little bit faint.

Is that better?

Thanks.

Aloha, and good afternoon. I became interested in congressional charter organizations, or CCO's when I divided two devote an episode, or a series of what are CCO's? I put a link to the video at the bottom of the slide. As you should know, all of the slides for all of the presentation are already on the conference website. After doing a little research for this video, I realize that CCO's are a complex and strange category of organization that merit further investigation. Congress has designated hundreds of CCO's, including the Boy Scouts of America. In this session you will discover what CCO's are, hear about different types of CCO's, one about controversies involving CCO's, and become familiar with laws requiring CCO's, reports, and publications. So what is a congressional charter? Congressionally chartered organizations are chartered by Congress through the enactment of public laws. What exactly does it mean to have a congressional charter? I found these definitions from the Government accountability office and the Congressional research service. Through congressional charters, Congress has created independent organizations which receive support from both Federal and nonfederal resources. These congressionally chartered organizations, or CCO's, are authorized to receive and retain financial and nonfinancial resources from nonfederal partners to help meet their goals. And a congressional or federal charter is a federal statute that establishes a corporation. Congress has issued charters in 1791, although most charters were issued after the start of the 20th century. Congress has used charters to create a variety of corporate entities, such as banks, government sponsored and enterprises, commercial corporations, capital funds, and entities. Why do organizations seek federal charters? According to the Congressional research service, CCO's generally have missions and goals dedicated to promoting a public purpose to which private individuals and partners are drawn. CCO's have been described as seeing perceived to be better suited than typical government agencies to handle certain issues and services by partnering activities with nonfederal activities to reduce public value greater than what the federal government can accomplish alone. In 1965, the president decided to establish criteria for CCO's. They noticed the various proposals have been made over the years to promote statutory procedures for nonproprietary organizations, but Congress has not enacted any of them. In 1969, some

have a judiciary committee and jointly agree to a statement of policy. And standards of granting federal charters. The statement has worked five minimum standards to be met by a private organization seeking a federal charter from Congress. These are listed on the slide. They have to be chartered by a state. They have to be of a unique character, such that the corporation can only happen by means of federal charter, they have to be charitable, literary, patriotic or civil improvement purposes and to be nonprofit and nonpartisan, and they have to be conducting activities that are national as well. As we will see, the standards only apply to one type of CCO. Both the Government accountability office and the Congressional research service created different typologies of CCO's to help members of Congress understand the nature and characteristics of these organizations. I have combined these typologies to give you an idea of what the incredible variety of CCO's and ways in which they are related to the five federal government. Title 36 corporations have been established and chartered by Congress to serve patriotic, charitable, historical, or educational purposes under title 36 of the U.S. government. Generally CCO's are established under state laws, and then are requested to Congress for federal charters. The attraction of title 36, that is for national organization, is that it tends to provide an official to their activities. To that extent, it may provide them with prestige and financial benefit. They also noted in effect, the federal chartering process is honorific in character. An honorific character may be misleading to the public however, with such organizations featuring statements or displayed logos that are chartered or displayed by Congress that has a direct relationship with the government that does not in fact exist. In addition, there may be an application that Congress approves of the organization, which is not the case. We will learn more about that later. Title 36 organization include patriotic organizations like the American allegiance, charitable organizations such as the German benevolent society, and professional association, like the American historical Association and national education Association, and the American -- Association. Many CCO's are part of patriotic societies. For example, they include the national society in the was daughters of 1812. And Veterans of Foreign Wars of the United States. In the 19th century, the district of Columbia could not grant its own charters. So any PC organizations or educational institutions taking charters had to be granted a federal charge. Examples include George Washington University, Harvard University, Southeastern University, and -- University. In the study in this institution is also -- according to the GAO, over the years departments and agencies have found it useful and advantageous to ask Congress to create, or authorize a department to create nonprofit organizations to perform functions as the department itself finds it difficult to integrate policy and financial processes. This is true, for example. Whenever a department or agency receives gives of real property and monetary gifts. It refers to these as adjunct organizations. Examples of adjunct organizations include if you've probably heard of the national Park foundation. You may not be familiar with the securities in the investment protection, or the agricultural commodity organization of the USDA. Congress is also chartered several other private, nonprivate nonprofit organizations including the public broadcasting and service Corporation to carry out federal purposes that do not fall under title 36 of the U.S. code. For instance, the legal services Corporation is a private, nonprofit, federally funded corporation that helps provide income assistance to people in civil matters. The primary responsibility of the LSC is to manage and oversee the congressionally appropriated federal funds that have been distributed in the grants to local legal services provided to in 10 client in all 50 states. CRS identified several things that are CCO's. There are five Farm credit Banks and 12 Federal Reserve Banks along with the importslasheexport bank. Several CCO's are commercial corporations, according to GAO. A government corporation is an entity established by the U.S. government in a corporate form with a federal charter for a public purpose. The U.S. Postal Service are fairly well known government corporations. I will talk about that in more depth a little bit later. GAO identify these 14 government corporations control act, or CCA corporations that are wholly owned by the United States government. For the GAO, GCC a requires fully owned government operations just to submit a business type budget to the president each year. And the president to include such posits promotes budget of the U.S.

government. The act also requires Congress to take action on fully owned government organizations. And then there are mixed ownership CCA Corporation, which generally provide financial services by a business type organization. Ownership control is shared between private sector and the government. So the FDIC, the federal home owned banks -- the national credit Union administration settle, liquidity facility, and a couple of others are mixed ownership E CCA. And then we have non-GCC a government organizations, such as the African development fund and Inter-American foundation called their address. Nongovernment corporations are federally created entities that are subject to the GCC a provision with people to fully owned government corporations. The African development fund invested into African grassroot -- similarly, the American fund across flat America and the Caribbean. Cold air to preserve and protect the 89,000 acre -- call Dara in New Mexico. It represents an experiment in public land management. I will cover that shortly. According to the Congressional research service, government-sponsored enterprises, or GSE's, are federally chartered, but established to be privately owned and operated by an financial institution that have authorized to make loans or loan guarantees for the purpose of -- the rationale for GSE's is that the belief without such government-sponsored institutions, a critical area of necessary and finance, he could go unserved, or would be serviced at an expensive or inefficient level. So I think most people are familiar with that. The federal home loan Bank system and the -- all fall into this category. Venture capital funds are nonprofit organizations established with members in the venture capital community to foster basically on behalf of these agencies. Venture capital funds invest small firms, invest in small firms to develop technology. Ongoing and into to help perform develop technologies for the department of defense and the CIA, respectively. Red planet capital was a nonprofit organization created to establish strategic capital for NASA to fund Mars exploration. Public authorities and commissions are another category of CCO. Many of the early CCO is that no longer exist, or transportation companies that operated in ridges or fairies, especially in the D.C. area. Subsequently, separate interstate companies and railroads were given charters according to CRS. To get a feel for why Congress creates CCO's, let's look at some case studies. According to its website, it was originally created by the communications act of 1962, and incorporated as a publicly traded company in 1963. The initial purpose was to serve as a public, federally funded corporation intended to develop a commercial and international satellite communication system. The intention of the law that created concept was to expand the capacity to launch satellites by encouraging private industry to develop satellite communication. According to a rant board, the concept is unique among private entities in that it was expressly established by an act of Congress, and three, of the 50 members of its board of directors are appointed by the president. The U.S. signatory to and is the sole U.S. investor in that organization, and is the sole provider of those services to U.S. users. The Presidio trust, or Presidio, formally a military base in San Francisco, became part of the Golden gate national recreation area through the administration of the National Park Service of 1994. The NCS recommended that they establish a trust to manage properties. President Bill Clinton signed the Presidio trust act into law in 1996. It established the Presidio trust, a wholly owned government corporation. The trust manages leases and directs renovation in environment restoration for the properties. It can borrow funds from the U.S. Treasury and make make loans to tenants who make capital improvements. By law, it is also required to be financially self-sufficient by 2013. According to the trust website, funds ran workspaces are operating in venues. They are used for park management. In other words, the trust management federal property, without requiring taxing your dollars. The establish legislation requires that at the end of each calendar year, the trust shall commit to the committee on national research of the United State Senate and the committee on resources, a comprehensive and detailed report of accomplishments for the prior year. However these annual reports, like many, are not presented by -- or the library. Okay. Finally we are getting -- according to the Boy Scouts blog, a PSA founded a congressional charter, because they were in competition with other several organizations that were copying their uniforms and had similar names. The charter was intended to safeguard the Boy Scouts and insignia. The Boy Scouts

benefited from this recognition, which enabled it to have access to military equipment. The Boy Scouts were able to borrow materials and use an Army vessel and Jim Berry in France due to its status as a CCO. For many years, the annual report of Boy Scouts of America were printed, hence the title of this presentation. According to its website, this program, or CMP is a federally chartered 501(c)(3) corporation dedicated to training and educating U.S. citizens into responsible use of firearms through gun safety training, marksmanship training, and competition. CMP began in 1903. According to GAO, the nonagency character and title 36 corporation may have been breached when the civilian marksmanship program was privatized and assigned to a new corporation. The corporation for the promotion of rifle practice and firearm safety. GAO said while this corporation has admittedly governmental attributes, for example upon the dissolution of the corporation, its assets would be sold, and the proceeds referred to the U.S. Treasury. Congress has declared in its enabling statute that the corporation is a private corporation, not a department agency or instrument of the United States government. GAO also noted that since 1996 the Army has transferred more than \$700,000 surplus firearms to CMP. The CMP sells the surplus firearms in auctions on its website. We've already seen that CCO is our amorphous group of organizations providing a wide variety of functions with varying government ownership. There is no single government agency or office with oversight responsibility for CCO's. Congressional oversight is generally performed by the relevant congressional committee. Now, let's look at oversight from the cases of controversy. The 1990s, our president Al Gore, they were moved to -- in the federal government. As part of this process, the investigative branch offered some management or OPM with downtime. According to GAO, the Director of OPM, James King created a first. Established by the government of a private corporation of the United States investigation services whose employees would be personally transferred from the federal agency, to the federal investigations division of OPM, to a private firm to be eventually owned by its employees in what is known as an ESOP. It employed 700 OPM investigators. Some of you may recall that they were involved in the security clearance of the investigation of Edward Snowden. In 2014, the Department of Justice launched a fraud investigation into -- subsequently, it eventually declared bankruptcy. American Gold Star mothers Inc., or a SGM, as I have it on the slide, was established in 1928. It goes over who has lessons her daughters in military service. In 2005, a GSM was denied membership. An immigrant from the Philippines who died in Afghanistan. Their refusal to acknowledge his -- although she withdrew her membership for membership, ultimately they change this role to allow noncitizens. The bill to grant the charter to -- hospital 3811 was introduced by none other than Al Gore. He explained that he met the president at the Knoxville chapter of Etsy Jess M. He urged him to introduce the legislation. The president of the national AGS M testified before Congress, that it would give them the highest recognition. She also noticed it that she had been asked several times why a SGM did not have a federal charter. It never explained exactly why a federal charter would help the organization. In the case of the national aviation's Hall of Fame or and AHF, represented in Michael Turner, he single-handedly had taken on oversight duties in January 2017. Representative Turner, he introduced a news release saying that he was leading investigation into the finances of and AHF, which is located in Ohio. It could be a delivery of panel to the determine appropriate action for and AHF from disposing this artifact. Turner later went to legislation to remove the organizations congressional charter when and AHF threatened to move away. So we have example of the federally chartered status being used by the congressman to influence the behavior of the CCO. Has Congress ever revoked the charters of any CCO's? No, but some have ceased to exist on their own. For example, the grand Army of the Republic of the union's army, the United Spanish war veterans folded when their members passed away. Many organizations have received charters of limited duration. The resolution trust and a new development organization were created by Congress for specific purposes and were phased out and have no longer been achieved. So what is the current state of affairs? According to the Congressional research service, since 1989, the House Judiciary Committee, subs committee of jurisdiction has placed a moratorium on the chartering of corporate organizations. This has been

reaffirmed as the beginning of each new Congress. However, Congress has since granted charters to fewer organizations, such as the military of America. It tends to designate new CCO's. In 2021, the national of 2021 was -- corporation which would create an -- laboratories with workforce development. Where can you find a list of CCO's? I have not been able to find a comprehensive up-to-date list of these organizations. Title 36 of the United States code as a list of the so-called type of the bases. The office of law provision counsel and house of representatives periodically prepares 36 to incorporate whatever new corporations were introduced or remove any that have ended. The Library of Congress has occasionally publish a list, such as corporations chartered by act system. The U.S. government manual lists four quasi-government agencies, the corporation, the custodian institution, and the state Institute, and the United States of peace. Prior years, other entities have been recorded as this designation. For example, the national Railroad passenger Corporation, and the national consumer Cooperative Bank and the national Academy -- for the most part, the publication of CCO's are not included in the F DLC. Annual reports of some CCO's are formally published in the -- as I mentioned when I talked about the Boy Scouts. However, in recent decades, Congress specified that the annual reports are not to be printed at the public expense. According to CRS, corporate bodies are required to make annual reports of their activities to Congress. Public access to the records of these corporations vary. For example, the charter of the national -- requires that its annual report be submitted to Congress each year, but prohibit that public renting of it. GAO noted that it's back to provide for audit accounts in private corporations establish under law but began audit reports to Congress. In 1995, Congress enacted the federal report elimination and sunset act of 1995, which ended the requirement of federally chartered private corporations which had to send reports and some proceedings to Congress, starting in 2000. So, for the most part, our FDL collections no longer contain CCO publication or annual reports. But now you know why the Boy Scouts are in this. And I have included a bibliography. That concludes my presentation. I would be happy to take any questions or comments. Thank you.

If you have any questions for Gwen, go ahead and type them in the chat box.

I noticed that Scott Matheson said that the organization chart has a big box of independently established government organizations. Thanks for including that link, Scott. Any other questions or comments? Okay. Vicki asked me to go back to the bibliography. As a reminder, all of the slides are on the conference website. So you can download the slide if you would like. Let's see, James asked have you attempted to submit any CCO publications of unreported GPO to test whether they are in or out? No, I haven't, James. That is a great suggestion. But I, you know, I really just started helping into this topic recently. I feel like I only scraped the surface. Let's see, Kate said are there other entities that follow a course similar to this CCO? You know, I am not really sure that the focus of my research was just on these chartered organizations. But they are -- there very well may be other organizations that are not considered CCO's.

I have another question from Trina. What are your strategies for finding reports? Contact organization?

Yeah, I think most of these organizations have their annual report posted on the website, so you can get them that way. You know, I think my point was just that at one time, a lot of these reports were published in the serial event, because they were reports made to Congress. At some point Congress decided we're not going to pay for these anymore. But now that we are shifting away from printing and there's, you know, less expensive, maybe they can start publishing them again? Yeah, why has Congress not established that oversight process? And that is a great question. I think it's because these are just so amorphous that they decided to handle them on a case-by-case basis, instead of having a general oversight. There are so many different permutations of these organizations.

[Captioners transitioning]

If it cracks like a duck, they should accept it. Kathy noted that sometimes these reports on the organizations websites can be very very deep and difficult to find of course they won't keep several years of annual reports. They will keep the most recent one. are there any other questions. She said she learned not to report -- can you explain that?

Did you report one and were told it is out of scope? Kathy asked, what was the most surprising thing you found researching this? The I think the organization that sells the firearms on their website was definitely the strangest thing that I found. Although, the United States investigation service that took on the employees -- was another very strange situation. It makes you wonder what other things there are that you didn't just happen to come across. Marina noted that organizations that are mandated to make the annual mandate to the public -- as opposed to posting those documents on their organization's website -- that is certainly possible. Amy said it would be a good project to identify them systematically and look for the reports. You can have some of these projects for tenure or partnership. That is a great suggestion. Vicki said she reported the Federal Reserve Bank publication. She initially made it into the depository. Then they realized their status removed them. The same with the national Park foundation. She checked with GPO and were told they are out of scope.

Vicki also noted that just because they are out of scope, does not mean they are excluded from her collection. I think many of us have collections from the Federal Reserve Bank publications. Blaine says maybe publish this possibly. Amy confirmed that like Vicki, she found the agency foundations are considered out of scope. I appreciate everybody sharing their experiences in the chart. It is very useful, to know what people have already tried to ask , if it was in scope.

It looks like the questions have trickled in. It looks like there aren't any new ones coming. A lot of kudos though. I agree with that.

Thank you all very much. I hope you have enough time to run over to another session.

Thank you for a wonderful program. It is very interesting. Next we have the significant of black colleges and universities. In our other room, we have

What do we have?

If you want to join that program, you need to make sure to close out of this room first and use your other URL to get to that. You cannot be in two rooms at the same time, unfortunately. But the access is found on our event page. For now, we will take a short break and pick up at 2:15. Thanks.