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Sent: Thursday, December 1, 2016 11:23 PM
To: CC Hoagland
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Subject: Re: Skip Hoagland versus Acce / Us chamber / Dmai and Hilton head chamber lab test who will win? Who is right ?

I very well done

Study and would say Mr Hoagland has made one of the largest discoveries I have ever read . I assume he is right when he says, in the 21st century this will all not be allowed to continue. I am located in some very small markets as a Geo domain media owner and the local Chambers- DMOs have virtually put me and every other small local media out of business. I for one thank Mr hoagland for his tireless efforts. Mr Hoagland has contributed enormously to our industry dating back to 1995, when I bought my first domain name and followed his efforts.

June 27, 2014

S.C. Businessman Battling IRS in Free-Market Fight

As the Internal Revenue Service faces tough questions these days about thousands of missing emails from the then-director of the IRS division accused of targeting conservative groups, Skip Hoagland is waging his own national battle involving the massive tax-collection agency.

The longtime Hilton Head Island businessman, whose company, Domains New Media LLC, invests in internet domain names, claims the IRS is not doing its job when it comes to enforcing federal tax laws for chambers of commerce and convention and visitor bureaus nationwide.

Hoagland contends that chambers of commerce and convention and visitor bureaus (CVBs) across the country – several of which in South Carolina receive millions of dollars in public funding and pay six-figure salaries to their leaders, records show – are competing with local advertising media businesses by siphoning big chunks of advertising and marketing dollars from other businesses.

The end result is some local advertising media businesses that are chamber members have been forced to close, Hoagland says.

In documents filed with the IRS Whistleblower Office – copies of which Hoagland provided to *The Nerve*— Hoagland said he believes that many chambers and CVBs are “in violation of their non-profit status” as permitted under federal law and have “failed to pay their fair share” of federal taxes, known as “unrelated business income tax,” which generally tax-exempt organizations are required to pay for certain profit-making activities.

“Explosive increases in internet sales and marketing has accelerated this state of affairs dramatically in recent years and there has been a transformation in these organizations to a for-profit business model,” Hoagland wrote in a document submitted to the IRS. “These chamber of commerce and convention and visitors bureau entities have changed course in recent years in recognition of these profit making opportunities.”

Hoagland provided *The Nerve* with a list of 78 chambers, CVBs and other similar organizations nationwide, which he initially asked the IRS two years ago to investigate, based in part on the amount of revenues over the prior three years – generally \$12 million – as reported on their federal income tax returns. He says the number of organizations making the list has since increased to more than 100.

Included on that list from South Carolina are the Hilton Head Island-Bluffton Chamber of Commerce, Myrtle Beach Area Chamber of Commerce, Charleston Area Convention & Visitors Bureau, Charleston Metro Chamber of Commerce, and the South Carolina Chamber of Commerce.

But although the initial filing is two years old, the IRS has taken no enforcement action to date, Hoagland says.

“The bigger crime is the IRS is doing nothing to enforce these non-profit codes, causing millions of uncollected tax monies by these chambers profiting from ad sales and paying no taxes – completely abusing our system and not contributing ... to help pay for roads, schools and our military,” Hoagland told *The Nerve*.

In an email Wednesday to IRS analyst Lev Glikman, Rob Martin, an accountant at Sadowski & Company in Savannah, which is assisting Hoagland, said, “We are frustrated by the lack of IRS support for this program.”

“As an additional measure intended to protect Mr. Hoagland’s claims – please be advised that we intend to resubmit all of the above claims individually through the Washington office,” Martin wrote. “We believe that we have submitted more than 6,000 pages of documents. We will move forward to obtain individual claim numbers for each entity in violation.”

Martin in a separate email told *The Nerve* that “(w)e have had detailed and ongoing conversations with IRS staff” at their offices in Washington, D.C., Manhattan and Ogden, Utah, noting, “Mr. Hoagland’s claims remain pending.”

Contacted this week by *The Nerve*, Eric Smith, an IRS spokesman in Washington, D.C, declined comment on Hoagland’s filings, saying only, “We are barred by law from commenting on a particular disclosure.” He referred *The Nerve* to online IRS reports on whistleblower cases.

Under federal law, if an IRS whistleblower complaint results in the identification of more than \$2 million in owed taxes, penalties and interest, the person making the complaint is entitled to receive an award worth between 15 percent and 30 percent of the total proceeds that the IRS collects, according to the agency’s website.

No individual award amounts were listed in the agency’s fiscal 2013 report to Congress, though 130 awards were “paid in full” that year.

Publicly Subsidized Chambers

In a written response this week to questions from *The Nerve* about Hoagland’s claims, Brad Dean, president and CEO of the Myrtle Beach Area Chamber of Commerce said his organization “fully adheres to all local, state and federal laws as well as regulations set forth by the IRS.”

Dean said the chamber owns a for-profit corporation, called the Myrtle Beach Area Commerce Center, which he noted was “formed to capture and report unrelated business income and any related income taxes.”

Citing the federal law dealing with nonprofit organizations engaging in for-profit projects, Dean said his organization “recognizes that certain elements of its marketing and advertising activities fall within this definition.”

“The Chamber, in conjunction with its external auditors and other professional consultants have addressed this issue and continues to refine and enhance its systems, processes and reporting of UBIT (unrelated business

income tax) since the formation of the Commerce Center in a comprehensive effort to comply with the Internal Revenue Code and related regulations,” Dean said.

The chamber’s year-end financial report for 2013 shows that it took in nearly \$39.1 million in total revenues, about \$29 million of which, or 74 percent, was public funds. The nearly \$26.7 million listed as “net assets released from restrictions” in the “Local Government Support” category was derived from the “1% Local Option Tourism Development Fee imposed by the city of Myrtle Beach,” Jim Wright, the chamber’s executive vice president of finance, told *The Nerve* in a written response Thursday.

In addition, the report listed approximately \$4.7 million in “net assets released from restrictions” through the S.C. Department of Parks, Recreation and Tourism.

Dean’s total compensation in 2013 was \$417,036, according to the chamber’s annual federal income-tax return reviewed by *The Nerve*.

The Myrtle Beach chamber isn’t the only such organization in the Palmetto State that receives heavy public funding. The Hilton Head Island-Bluffton Chamber of Commerce, for example, received nearly \$6.3 million in total revenues for the fiscal year that ended June 30, 2013, \$4.4 million of which, or about 71 percent, was generated through “Visitor and Convention Bureau (VCB) projects,” according to the chamber’s annual financial report.

Funding for the VCB, a chamber division, is provided by “membership investment, the state of South Carolina, Beaufort County, the Town of Hilton Head Island and Town of Bluffton through accommodations taxes (ATAX) and the Department of Parks, Recreation and Tourism (PRT) funds,” the report noted.

As of June 30, 2012, the total compensation for chamber President and CEO Bill Miles was \$351,003, according to the chamber’s most recently available federal income tax return reviewed by *The Nerve*.

Bill McGrath
Apple Consultant

On Dec 1, 2016, at 11:01 PM, CC Hoagland <skiphogland@yahoo.com> wrote:

All Chambers / CVB's DMO must comply to: Independent
Forensic audits by the City governments who hand them millions with little to no oversight ,
State FOIA compliance to tax payers, non-profit corporation act compliance to members who
join who are in essence owners/ investors/ stakeholders of these chambers CVBs dmos , must
comply to IRS UBIT (unrelated business income tax) from their growing advertising sales/
which is not part of their purpose or mission, their mission is to support those in business who
pay taxes not be in business. They city governments must stop just handing millions of our tax

dollars with no fair bidding Procurement laws followed , city governments must force Dmos to sign contracts with the Dmos to force they to comply with transparency and operate properly under their true mission and purpose, which is to solely promote and market the destinations so the entire community benefits, not just a few. A separate private chamber should have nothing to do with a DMO , it's a totally separate function , one is about promoting and helping local members and the other is about promoting the destination. A chamber must have fair elections from the general membership, giving all members equal opportunity to serve on the Board, annual meetings, full support of all local business members and not be in any business and worse, pay no IRS UBIT and unfairly compete with their members in the media. It's time to drain the swamp, and end all the abuse and no action in SC and our nation. We are using the Hilton head chamber as our laboratory test, since it's such an extreme abusive example as a dictator run comingled Chamber CVB DMO with an appointed buddy board, no term limits , no rights for members, extreme salaries of 400k , expenses , 25 employees at 87,500 average , misuse of tax monies, committing theft and corruption with our tax monies, given false recognition by the US chamber and Acce as a chamber of the year, when only 5% of all crooked chambers are operated this way. A properly run chamber receives no tax monies and has a structure where members / essence owners are in charge not the employees. Both Don Welsh of Dmai and Mick Fleming are both aware Bill Miles who basically owns the Hilton head chamber is a crook and thief of public funds and abusing all members and even his own board that are tricked into thinking all is ok ! It's a brilliant master scheme and scam that is now uncovered. I hold all these gentlemen responsible for intentional fraud to deceive us all.

This is just like Washington DC, except just an industry niche that is abusing our tax system and more. Most CVB's and few hybrid chambers CVB's DMO's have become nothing more than for-profit media, disguised as a 501-c6 non-profit. The non profit tax code states they should not be in any business normally carried on by a for profit.

These local CVBs and some only 5% chamber dmos CVB comingled hybrids are tricking local towns to fund them, as well as IRS. It must end! Private Chambers must get back to their true original intent, purpose and mission, which is to fully support local business members to prosper and nothing else. A private Chamber should "Not" receive tax monies and live off members dues and other allowed and permitted activities under IRS non-profit codes. If they received public funds they are no longer private. If they sell anything that is non-related to its core purpose and mission, they must pay IRS UBIT and also risk losing their non-profit tax status. The 501-c6 non-profit tax code is clear. Again "A chamber 501-c6 should not be in any business normally carried on by a for-profit tax paying company."

Now a publicly funded CVB DMO must be separate from a privately run Chamber. Again You can't use public funds for private purposes. A DMO sole mission is to promote and market the destination, primarily with bed tax monies to promote the entire destination and all businesses. It should not comeingle or use these monies for a chamber or chamber members that exclude the entire business community. Apps , website and visitors guides if funded with public monies must include all businesses in the community not just some. These public monies should also not be used to profit a chamber or a stand alone CVB by funding media products to profit from and zero out on tax returns showing no profit, when fact it is using these profits to pay 400k salaries, 1.7 million homes etc. using Hilton Head Chamber and Bill Miles as an example for IRS and others to see. This man is a crook , thief of public funds and we have 4 out of 7 local city council elected officials who have been corrupted by him to vote 4-3 to allow his theft of our monies. They as well are liars and co conspirators in this theft. If someone called me a thief, crook, co

conspirator in crimes and liar I would file a lawsuit against them.

My prediction is prison will result for Bill miles , Ray deal controller and Ray warco accountant and several others at the Hilton Head Chamber CVB DMO hybrid (which again only 5% in USA operate this way) and not be Skip Hoagland. All the investigators have to do is to follow the money, 400k salary, 1.7 million home, 500k mountain home, trips to China, extravagant spending and all the rest we discovered on Bill Miles. He simply will never escape once the forensic audit and investigation is complete. I am sure you all have similar problems in your city with a properly run chamber and DMO CVB. Just ask our team and we will explain to you how to fix it and expose it. I have cced this to the 3 national presidents who some, not all local city Chambers / CVBs dmos belong to. Please note no official connection, no franchises, every city CVB DMO Chamber autonomous . I suppose some DMO's and Chambers in some cities in our country are perhaps run properly, however none I can find.

To begin your own easy analysis of your local city CVB DMO chamber first order the IRS form 990 they each must file to see the salaries of top 3 employees. Next call your local chamber to ask if the board is elected or appointed , term limits , ask if annual meetings, do all members have access to the books under non profit corporation act, ask if they receive any tax monies in any form or fashion, do they have any connection to the local CVB DMO if so what , what are their sources of income other than members dues, do they have any unrelated business income if so what is this and do they pay IRS UBIT , do they sell advertising if so why and how much , do they distribute any local magazines in competition with local media members or non members, ask them for copy of bylaws, ask them do they not agree a private chambers single main purpose, intent, mission , charter is to fully support and help their local members to prosper in the community and nothing else. Ask them they are employees hired to serve the members who are in essence owners / shareholders / stakeholders / investors. They are supposed to support those in business not be in business and all self serving self dealing to do otherwise should not exist. Again note, as a member of your local chamber or CVB DMO regardless of public funding , you can demand total access to their books and financials to see how good or how bad they are operated legally under the state non-profit corporation act. If they are publicly funded they also must comply to local state foia laws ,which they will probably refuse. This is the root of the problem with all these chambers CVBs dmos in the USA, many refuse transparency and accountability and that only signals one thing corruption, and the 3 Presidents of these National associations know this. If they don't they are either incompetent, corrupt or both. We already know they are frauds . I welcome the debate to prove this with each of them. We need to drain the Chamber CVB DMO swamp and clean them all up and get them back to the original useful intent , mission and purpose to serve our communities, all members and all tax payers properly.

Also important is find out and FOIA your local city government, on how much DMO tax money they are handing your CVB? Ask for copy of the DMO contract, which they probably don't have? Also ask did the city follow fair bidding procurement laws for your state to give others opportunity to bid on the city DMO function? Please note a private non profit chamber should not even be allowed or qualified to bid or be a DMO. This DMO function should be put up for bids to local / state ad agencies and just as good, the city government take this DMO function inhouse and the city then can then hire several qualified marketing employees to lead this or just hire a local ad agency. The other thing we must do on top of allowing our crook Bill miles and the hilton head chamber act as DMO stealing our money , is demand our money is stealing stops going to Canada's. Imagine this thief is not even bidding out locally to members , our state or

country and is developing a local apps , websites in Canada. Like trump said time to drain the swamp and stop abuse to our country. Bill miles and all connected to him, i will not stop until I see them all on the street looking for a real job or better in prison.

My big questions for the presidents of the national associations and IRS on this email, Mr.Glickman, Mr.Donahue, Mr.Fleming and Mr.Welsh are how do you explain your city members selling millions in advertising and paying no IRS UBIT? Or using pubic funds for private purposes? Unfairly competing with local media members? What is your idea of the Purpose, intent, reason, charter and mission of a 501-c6 non-profit chamber and DMO CVB ? I googled "What is a chamber" "What is a CVB?" "What is a DMO?" Do any of you even know how a local chamber and DMO are supposed to function? Are you just interested in these cities joining your associations so you have a salary or job, or do you really think what you are doing makes any sense in the 21st century and age of internet technology? Do you each understand I am claiming you all are committing fraud / a white collar crime and can prove it with one example the Hilton Head Chamber? You claim it's a "chamber of the year" and has a "4 star accreditation" and is functioning as a properly operated DMO. This is a lie, fraudulent, deceiving and based on no credible criteria whatsoever and you know it. In fact, it's done to camouflage the violations, and theft and crookedness of this chamber and it's crook and theif of public funds employee, Bill Miles. Mr.Fleming, here is your blog we captured with our past investigator . You are clearly talking about me and provided this info by crook Bill Miles. You are clearly worried about my IRS UBIT discovery. <http://www.acce.org/blog/2012/10/spotlight/got-ubit/>

Everyone in the media business call me! Don't live in fear to speak up against this corrupt system, industry and establishment. Free enterprise and tax paying media are under attack and not one person on this email can debate, nor deny this.

Never compromise your principals to not stand up if you feel the free enterprise business you are in is being attacked, which it is. We either stand together or surely we will stand alone.

Free enterprise , Tax paying for profit companies, entrepreneurs are supposed to be helped and supported by our government and non profits like Chambers CVB dmos we join, not looked at as competitors or the enemy. It's the for profits and free enterprise system that pay for military, roads , taxes , police , fire , etc not these Bureacritic non profit Chambers CVBs dmos that some are being operated and controlled by the worst kind of crooks, liars and thieves of our members dues and local public funds. I again have all the facts and have fully proven all this using Hilton head chamber CVB DMO hybrid as my example. It has taken me 30 yrs to fully understand this scheme and in 1995 when the Internet began, and then shortly after this around 2008, is when I realized these CVBs were going to become the single biggest threat to local media and their ability to operate under the radar with full power and backing of a community would enable them to increase advertising sales substantially and far beyond just a visitors guide pre Internet and 1995. I was right the ad sales of many with apps , websites and even their local distributed tourist magazines is growing rapidly some 30-50 growth annually. This is putting local media out of business and draining local ad pools , denying those sales to local media who have to pay taxes, and revived no tax monies . These non profits are using tax monies handed to them by local corrupted town officials to fund media products at an alarming rate. They are then able to use their local power to sell ads, pay no corporate taxes , no IRS UBIT, hire many employees, buy key words of google to out rank and outspend local media and all businesses that force these local businesses to join as members and buy ads from them as they are becoming like the dominate shopping mall and if you want to prosper you need to pay them not local media who are being unfairly competed against and simply can't provide the traffic they can provide with their unfair advantage over all of us. How do you compete against anyone being handed millions to use against you to compete ?

Thanks