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Subject: Re: Pure Michigan scam, secrecy , fraud and waste of 38 m in tax monies. Now SC and nationwide. Add town governments , chambers , CVBS and city DMOs . IRS ubit violations theft , embezzlement, Fraud etc

Michael, everyone on our legal and accounting team can answer all and any questions you might have on all this state waste and it's tie-in to matching funds to the CVB's DMO's and some Chambers. Our shocking discoveries of fraud, theft, scams of our public funds in many SC tourism cities, with no oversight of our funds in the tens of millions over the last 30 plus years, is hard for many investigating all this to even believe. Note, it's nationwide after we studied all IRS form 990s in 70 of the largest population cities for the CVB's, DMO's and Chambers in all these markets. Please note that most of our investigations involve CVB's and City DMO's. However some are hybrid comingled private Chambers CVB's DMO's who have proved to be even more crooked and violating than the separated CVB's and chambers. Our stats show 95% of all chambers and CVB's / DMO's are separated and not connected and are comingling private funds with public funds. We also understand that 20% of all DMO's in USA cities are run by the Town government in house, not by a local chamber or CVB. We also show that most city governments automatically appoint the local CVB or chamber to act as the city DMO with no procurement laws complied to. We have proven that it's not a private chamber job or a CVB to even be allowed to be handed nor bid under RFP and should be done and better done by local or state ad agencies. Please note SC PRT bids out its 58M promotion of the state to for-profit ad agencies which was proper. However, it's the results and performance metrics and how the money is being used in question.

Note, we can not find one city DMO that has been handed this DMO job that has a DMO contract or in case of Hilton Head a proper DMO contract with terms and conditions. It seems most cities in SC and assume entire USA have no City DMO contract, no oversight of the local bed tax funds, no audits and no real performance metrics.

Our IRS agent Lev Glikman cced, and to date has done zero to force ubit and compliance and has knowingly allowed this theft by these 501 c6 non-profits in SC and nationwide to continue. This non collection of corporate taxes, IRS UBIT in the tens of millions simply hurts our states and country not to mention the for-profit media companies that pay taxes that are unfairly competed against by the chambers CVB's DMO's who are allowed to sell millions in local advertising. The worst part using our local bed tax monies to launch websites, apps, locally distributed tourism magazines, wedding guides, coupon books, golf guides etc. This is the biggest part of the abuse and insanity using Hilton Head chamber, Myrtle Beach chamber and Charleston CVB as examples. These organizations are run and controlled by crooks and thieves of our public funds and they are not run like true non-profits who's mission, intent, purpose, charter is to help local for-profit media businesses and all businesses grow, not compete and act like a for-profit media disguised as a non-profit chamber CVB DMO.

The state waste and corruption is one thing, the waste and corruption of even the federal government Brand America is another thing. The corruption, waste, theft, fraud and violations by many nationwide Chambers, CVB's and city DMO's is another thing. Yet all tied in together in a web of massive theft, waste, fraud, corruption and violations.

Please note your study on Pure Michigan state promotion campaign, along with our additional info, will reveal the same waste and fraud in many other states including SC with its 58 million campaign with Discoversouthcarolina.com and State of Florida and its millions for Visitflorida.com as an example.

Also add the Brand America USA promotion arm and part of the federal government needs massive investigation for crimes by the FBI, Attorney General, etc. in every state, that will turn out very similar to the 38 million Pure Michigan study you did. To begin, I suggest each State and Federal government for Brand America is simply sent a FOIA to provide all info. If they refuse, we file a lawsuit for FOIA compliance and as I understand would be awarded attorneys fees if we won?

Michael, I would love to know how your state awarded this 38M, how they match funds to all the cities? Oversight? FOIA? Etc, etc.

Here is what we have studied in SC involving the state SC PRT, Chambers, CVB's and City DMO's and all very similar, however with some different unique violations in all the states and cities nationwide.

1. Cities / Town governments violating RFP fair bidding procurement laws and just handing the money to local CVB's and even worse in some cases private chambers which have nothing to do with a DMO function, mission or purpose. A chamber is not a

business. Its' purpose is to promote local members business as a local business league and supposed to be controlled by the members not a chamber employee who is paid an outrageous salary of 400k and 1.7 million home on Hilton Head, with no elections for members to serve on the board, no annual meetings and all secret. We are totally out of control with so much local corruption by this chamber, town employees, ejected officials and more. So many crooks, liars and thieves that it's hard to imagine or believe. Even the the national Chamber association ACCE president Mick Fleming recognized Bill Miles and the Hilton Head Chamber as "Chamber Of The Year". This is fraud at this highest level. It would not be possible under any credible criteria and just plan ""FRAUD" that can not be denied, nor debated by anyone.

2. SC PRT hands the DMO's matching funds with no oversight by SC PRT or SC TERC (the expenditure review committee) both cced for comment back. Michael, I need you to send me what I need to FOIA Duane Parrish for on where and how this 58M is spent and it's proven performance metrics, etc.

3. TERC and Ed Riggs have admitted they failed at doing any oversight on our public tax monies. Mike, what do we need to FOIA here? Nothing since no oversight was done?

4. We filed a SC lawsuit against the Hilton Head chamber CVB DMO for using public funds and refusing to comply to FOIA laws. Won this FOIA case in the Lower court on all counts. This crooked chamber versus voluntarily submitting to open its books and comply to foia and transparency, appealed to the Supreme Court and worse, using thousands of public tax funds and members dues to pay their lawyers to fight us to try and continue to hide. Just more extreme abuse. Only one reason they or anyone would fight this hard to hide and remain secret, they have a lot to hide.

5. Just filed a procurement lawsuit against the Town of Hilton Head and the corrupt town officials. Imagine our corrupt lying town manager it seems, will have a lot of questions to answer on many things like his involvement on 4M Welcome Centers, 360k apps, corrupted DMO city contract, etc..

6. Filing another lawsuit against the Hilton Head chamber CVB DMO for now refusing to open its books to its own members in violation to the SC non-profit corporation act laws. Again, spending public tax monies and members dues to fight transparency under even this law.

7. We have discovered massive theft of public funds with extreme excessive expenses, lavish over the top spending and salaries. Imagine the executive director employee of the Hilton Head chamber CVB DMO 400k pay package, 1.7m home, trips to china with family, 500k mountain home and God only knows what else he and his cronies are stealing. They take our tax money to Canada to develop apps and websites with no local support and abuse to our not just our city and state businesses, but our entire country businesses who can do this. They use tax moneys to pay for these apps and websites, they sell millions in ads that unfairly compete with local tax paying media. Many CVB DMO's some hybrid commingled chambers are growing ad sales at an alarming rate and

many small local media run by entrepreneurs already forced to shut down. Imagine a small local media joins the Chamber CVB DMO seeking help and support as a member which he thinks is their mission, intent and purpose, only to find or not realize they are actually his new competition and enemy. Those who realize this are in fear to speak up, they are outnumbered by other community businesses who don't care and have no horse in the race. Hilton Head chamber, as an example 1500 reported members and perhaps only 3-4 media members. 40k population and only 15-20 media companies and most silenced in fear to speak up.

Again, by selling ads against their own members and local media, this drains local ad pools and puts local media tax paying media out of business. These non-profit 501-c6 organizations pay no corporate taxes or IRS ubit that we have found or know of, violating the purpose and intent of these non-profit tax codes. A chamber sole mission is to help its members prosper in the community and nothing else as a non-profit private business league. A city DMO sole mission is to use bed tax monies to promote the entire community and all businesses. Neither should be in any business whatsoever that is normally carried on by a for-profit. Their purpose is to support those tax paying businesses that are in business, not be a for-profit business disguised as a non-profit to violate us and self serve, self deal, self enrich crooks and thieves. There should be no confusion on this and the roles of these non-profits, State and Federal Government. Once investigations begin, forensic audits are complete we will discover massive fraud, waste, embezzlement, theft, and more. Many will go to prison like the Palm Beach CVB when an their so called independent audit they hired was audited by the city a real independent audit of their audit and discovered 1.6 million in embezzlement and the CVB DMO controller went to prison for 10 yrs.

This theft, abuse, violations and self-serving, self-dealing by these crooked Chamber CVB DMO's leaders must end. Local town governments with crooked / corrupted local officials who just keeps handing millions to these chambers CVB's with no audits, oversight, misappropriated funds allowing this misuse, must end.

8. The national associations recognizing the Hilton Head chamber CVB DMO as a member in good standing and the ACCE committing "Fraud" by recognizing the Hilton Head chamber as "Chamber of the Year", which is not possible under any credible criteria. In fact the Hilton Head chamber CVB DMO is more a for-profit media disguised as a 501-c6 non-profit Chamber. They are the US chamber president Tom Donahue who I call the biggest non-profit bandit in America with a salary in 2010 at 4.7 million, jet and limo usage, Mick Fleming, President of the ACCE (American Chamber of commerce executives) and Don Welsh CEO of DMAI (destination marketing association international). Much more info on all this and the total control of Tom Donahue of the US chamber with his 100 person board members who have no clue.

9. The Pure Michigan state promotion scam and fraud. Michael, I need an email outlining what we need to FOIA from SC PRT and its 58M- promotion discoversouthcarolina.com campaign, State of Florida and visitflorida.com campaign. We will look at others later. Also Brand America run by the federal government.

10. Read the latest SC corruption with State Representative Jim Merrill and connection the laundering money by the Charleston Cvb run by local dictator Helen Hill who has seized all power and control of this Cvb. We predict federal prison for Mrs Hill once a forensic audit and investigation is over.
http://www.postandcourier.com/politics/rep-jim-merrill-indicted-in-s-c-statehouse-probe-suspended/article_fb72da58-c236-11e6-b694-bfc5d6df8e2d.html

The Pure Michigan full study with technical appendix and literature review: <http://www.mackinac.org/archives/2016/s2016-07.pdf>

Study press release and video <http://www.mackinac.org/22929>

Pure Michigan Officials Challenged to Debate: <http://www.mackinac.org/23041>

Pure Michigan Officials refuse debate: <http://www.michigancapitolconfidential.com/23074>

Pure Flummery: <http://www.mackinac.org/22335>

Pure Michigan's 'Budget Justification' <http://www.mackinac.org/22921> (Mention of DMOs here).

MEDC's Pure Michigan Puffery: <http://www.mackinac.org/21938>

Puffery or Proof <http://www.michigancapitolconfidential.com/22301> (North Carolina gets a mention here).

To end, please note: never in the history has a forensic audit been done on a Chamber CVB DMO without wrongdoing being discovered. Palm Beach CVB was the example of why independent audits must be done.

Thanks