

**TESTIMONY BEFORE THE
HOUSE SELECT COMMITTEE ON ENERGY INDEPENDENCE
AND GLOBAL WARMING**

**October 15, 2009
Washington, DC**

**Mr. Jack Bonner
President and Founder
Bonner & Associates**

Good morning and thank you Chairman Markey and Ranking Member Sensenbrenner for providing me with an opportunity to set the record straight on what did and what did *not* happen during this most unfortunate matter.

As the founder and President of Bonner & Associates (“B&A”), I personally take full responsibility for the improper actions of our former temporary employee who fabricated more than one dozen letters to Congress in the name of organizations and individuals that did not authorize them. While Bonner & Associates certainly did not authorize or condone his actions, we also did not adequately prevent them. I want to take this opportunity to once again publicly apologize to not only the three Members of Congress who received the fabricated letters but perhaps most importantly to those organizations whose names were fraudulently used by our former employee. I also want to apologize to the Hawthorn Group and to Stephen Miller and the American Coalition for Clean Coal Electricity (ACCCE), who were also hurt by the indefensible conduct of our former temporary employee. What this individual did was wrong and we should have caught him before he perpetrated his scheme.

In hindsight it is obvious that our firm and others would have been better served if we had not hired this individual or were able to prevent his fraudulent actions. But it is also clear that this incident was an anomaly and the result of an individual who from his first day at work, intentionally disregarded our procedures and instructions and was determined to engage in fraudulent activity. Although we still do not know what fully motivated him, due to the serious implications of his actions, we referred the matter to the U.S. Attorney’s Office.

But let one thing be very clear: this improper activity was undertaken without the knowledge or permission of anyone at our firm. These were the actions of one rogue temporary employee, acting against our company’s policy and without the knowledge of anyone else at Bonner & Associates.

It is also important for me to re-emphasize that it was our senior staff that first discovered the fraud and immediately initiated corrective action. As a matter of fact, I doubt that we would be here today if our company had not taken the initiative to alert our client and the organizations whose names were improperly used by the rogue employee---all over a month before any press coverage of the events. Once we discovered the fraud, we took prompt action to notify our clients and to reach out to the organizations whose names had been used.

While this was a fraud perpetrated against our firm, the manner in which it was done has demonstrated to me the need to develop and implement, in every instance, a more robust internal control system and that is exactly what we are doing. We have developed and implemented a five point action plan to earn back our reputation as the industry leader for the highest quality standards. All five corrective action initiatives have been implemented. They include:

Action 1: 100% call back verification of *all* groups that have signed statements of support to elected officials. The 100% call back verification is being conducted by permanent B&A staff that did not place the original calls. The 100% verification occurs *before* any letter is delivered to an elected official. We believe that this new policy makes B&A the only firm in this industry to go to this length to insure quality.

Action 2: ALL temporary workers are reviewing and signing an ethics policy *before* employment begins.

Action 3: ALL resumes of prospective temporary employees are being verified by permanent B&A staff *before* temporary employee begins.

Action 4: ALL new employees are completing mandatory ethics training and must pass an examination administered by permanent B&A staff to ensure the full understanding of B&A's ethics policies.

Action 5: B&A has retained an independent Ethical Standards Advisor who is well-regarded as maintaining the highest ethical standards and independence. The Ethical Standards Advisor will review our policies and work with us to continue to improve our internal quality control system to the highest standards.

By way of background, for over twenty-five years, B&A has been recognized for its professionalism and integrity in the fields of grassroots and “grasstops” organizing. We have never engaged in partisan campaign work; rather we have focused on advocacy relating to public issues. Our clients include not only corporations, but high-profile charitable and non-profit organizations.

B&A is one of the premier consulting firms in the country dedicated to helping clients, regardless of their political affiliation, to educate political leaders on their issues by using innovative and time-tested techniques designed to recruit, educate and mobilize grassroots and “grasstops” supporters. In doing so, we locate and educate leaders from local organizations who share legitimate stakes in the issues important to the client. These supporters are then mobilized to take action by writing, calling or meeting with elected officials at the city, county, state and federal level. In facilitating and encouraging communication and dialogue between citizens and their government we try to serve a very important role under our constitutional system.

At Bonner & Associates, our number one priority has been to provide our clients with the best possible service while maintaining the highest level of ethics and integrity. Again, while I accept full responsibility for allowing a temporary employee the opportunity to commit such a

serious fraud upon not only our firm, but also the very political process that I have spent a professional career supporting, we have never experienced anything like this in our nearly quarter century of work in this arena.

Let me now take this opportunity to explain the events surrounding the fabrication of these letters.

On approximately June 10, 2009, we were retained by a public relations firm, the Hawthorn Group, to identify and attempt to solicit the support of veteran, minority, and senior citizen organizations who agreed with certain legislative goals of their client, the American Coalition for Clean Coal Electricity (“ACCCE”), in seven specified congressional districts. As part of our agreement for which we billed Hawthorn \$43,500, we were required to generate lists of organizations that were likely to share the views of ACCCE on this matter. The organizations would then be asked if they were willing to submit a letter to their Member of Congress expressing those views. We had no contractual relationship with ACCCE nor did we have any contact with them during this engagement. We dealt solely with our client, the Hawthorn Group.

Let me emphasize that this project was not designed to solicit grassroots opposition to the legislation---rather, the stated purpose of the letters was to simply ask the Member to make pro-consumer changes to keep electricity costs down. If the organization agreed with this view, one of our employees would send them, by either fax or overnight mail, a sample draft of a letter. The organizations were told they were free to make any changes they desired to the text of the letter and to sign and send the approved letter back to us if they wanted us to transmit the letter to Capitol Hill.

Normally, we would have had more time to complete such a project, including the opportunity to make follow-up contacts prior to the delivery of letters to Capitol Hill. Unfortunately, the client repeatedly changed and delayed the start date and ultimately, we had **less than two weeks** to complete the entire project. Compounding this short time frame, the permanent staff member scheduled to manage this project had to take an emergency medical leave of absence immediately before the project began. Due to short staffing and an increased volume of other work, another permanent staff person---substituting for the staffer on leave---could not devote full attention to quality control until after the project was completed and the letters delivered to Congress.

To carry out this short-term contract, Bonner & Associates hired five temporary project employees to call prospective veteran, minority and senior citizen organizations. One of these five temporary employees was the individual responsible for the transmission of the fabricated letters to Congress. This individual was hired shortly after the contract was confirmed after submitting a resume and participating in a telephone interview. His resume appeared impressive and demonstrated bipartisan political experience with extensive work in grassroots advocacy.

However, it is now clear that on his very first day on the job, Friday, June 12th, this former employee used fictitious names of officers and employees to “generate” five fabricated letters from the Charlottesville chapter of the NAACP.

During the next week, this rogue employee continued his scheme and fabricated additional letters purporting to be from other organizations. Those letters, whose fabricated nature was unknown to anyone at our company other than this rogue employee, were later transmitted to three Members of Congress.

On June 23rd, shortly after the letters were delivered, one of our permanent employees who was assigned to contact the various organizations discovered the fraud. He determined that the temporary employee was responsible for twelve fabricated letters that were purportedly sent on behalf of eight organizations to three Members of Congress. Some time later, after having the opportunity to conduct a more complete review of all of the fax, FedEx and phone records, we were able to determine that a thirteenth letter had also been fabricated and sent to Congress. The Committee should note that we have corroborating phone, fax or FedEx records for **all of the other letters** that were delivered to Congress as part of this project. But again let me reiterate, it does not matter that the overwhelming majority of the letters obtained during this project were properly authorized and it does not matter that there were a relatively small number of fraudulent letters---even one such letter is unacceptable and will not be tolerated at Bonner & Associates.

To be clear, this employee worked for us for only **seven and one half business days**. On his eighth day of work, after our discovery of the fabricated letters, he was confronted with our preliminary findings and was immediately terminated and ushered off the premises. At that time, we believed that his scheme solely consisted of creating false names of officers and senior staff at legitimate organizations and then “forging” their signature on the letters authorizing their transmittal to Congress. However, in one case, the fired employee actually made up not only a fictitious individual but also a fictitious local chapter of a legitimate national organization. Subsequently, we learned that in another instance he forged the name of a legitimate officer in an organization in a letter sent to Congress.

Immediately upon determining the scope of the fraud, I informed our client, Hawthorn, who subsequently advised me that they had notified ACCCE. On June 24th, I sent a list of the then identified forged letters to Hawthorne and in the following days, we personally contacted each of the organizations that we believed at that time to have been defrauded by this employee. Our senior staff also traveled to meet with a number of the of the organizations to discuss what happened and to apologize in person.

While our immediate focus upon learning of this fraud was to reach out and apologize to the organizations whose names were used without authorization, on July 1, 2009, we contacted the offices of two of the three Members of Congress who received fabricated letters. After numerous attempts and the intervening Congressional recess, it was not until July 13, 2009, that one of our staff finally succeeded in directly speaking with Congressional staff for Rep. Perriello and Rep. Dahlkemper about this matter although it appears that Rep. Carney’s office, which received one letter, was not contacted. In retrospect, we should have immediately contacted all three offices and apologized in person.

While we take full responsibility for what happened and recognize that there were quality control and human resources improvements that needed to be made, we have learned that it is difficult to defend against a person bent on committing fraud. I also know all of us who play a

role in facilitating public participation in the democratic process bear an important responsibility to insure that the process is free from unethical behavior. Because I recognize how important it is for people to be encouraged to express their views and to participate in the debate on public issues, I am committed to doing everything I can to make sure that something like this does not happen again.

Thank you for this opportunity to answer any questions you may have.