



INSTITUTE FOR JUSTICE

**SCOTT G. BULLOCK**  
President and General Counsel

April 5, 2017

Mr. John R. Venrick  
Ranch 10  
20561 Wild Horse Ranch Road  
Rollins, MT 59931-9800

Dear Mr. Venrick,

Liberty is under siege. More than 320 departments and agencies at the federal level publish more than 70,000 pages of new and proposed regulations every year, and about 2,000 new units of state and local government are created every decade.

Federal, state, and local agencies run by anonymous officials tell us how to live our lives, routinely denying Americans the most fundamental aspects of what it means to live as free and responsible individuals.

The need for constitutional limits on government power has never been more urgent. That's where the **Institute for Justice** comes in. As the national law firm for liberty, we sue the government and challenge laws that violate the fundamental attributes of the American Dream. Nobel Laureate Milton Friedman once said, "The Institute for Justice has become a major pillar of our free society. In area after area—economic liberty, school choice, private property rights—it has provided legal defense against assaults on human freedom."

With a 26-year track record of success, the Institute for Justice serves as the nation's foremost advocate for liberty in courtrooms across the nation. We seek the rule of law essential to a free society. We believe that the courts are a critical part of the system of checks and balances established by the Founding Fathers.

We also believe that the Constitution established a government of limited powers and that the Constitution must be interpreted with a presumption in favor of liberty. Right now, the courts routinely interpret the Constitution with a presumption in favor of government—and as a result, government power has expanded radically since the New Deal.

That must change. And IJ intends to make that happen. Today, I ask for your help.

What sets the Institute for Justice apart is our ability to get results. We win nearly 3 out of every 4 cases we file against the government. It's why Thomas Sowell described IJ like this:

“The Institute for Justice [is] one of the few ‘public interest’ organizations that deserve the name.”

And John Stossel said, “The Institute for Justice opened my eyes to all sorts of new ways of thinking about liberty.”

Please allow me to tell you about how we are able to achieve victories for entrepreneurs, property owners, grassroots activists, and parents and children.

IJ pursues strategic public interest litigation that combines cutting-edge legal advocacy, award-winning media relations, strategic research, and grassroots activism. We take the cases of heroic people across America who stand up against oppressive government and we elevate these cases and the principles they embody to national prominence.

We've had 5 U.S. Supreme Court cases in 15 years and emerged victorious in 4 of those cases. As a result, private property has more protection, free speech is less restricted, and school choice is constitutional. We are continuing to build on that momentum with 41 current cases in 26 states.

But as you know, there is so much more to do.

**Property rights** are the foundation of a free society. We led the fight against one of the worst threats to property rights: eminent domain abuse. We represented Susette Kelo before the U.S. Supreme Court when her home was taken for a private development project. The Court issued one of the most reviled opinions in recent memory when it held that under the Constitution, a city can take one person's property and give it to someone else simply because the city wants the property to be owned by someone who can pay higher taxes. But after the loss in the *Kelo* case, something remarkable happened.

Our litigation and media battle on behalf of Susette raised the issue to such national prominence that the ruling ignited a massive public backlash. The Institute for Justice marshaled this widespread public outrage so effectively that 47 states have now strengthened protections against eminent domain since the *Kelo* decision was handed down. And through our strategic litigation, activism, and legislative efforts we've saved more than 17,000 homes and businesses from the wrecking ball.

We continue to fight eminent domain abuse as cases arise, but there's yet another widespread assault on property rights which we must also address.



It's called civil forfeiture. It's a way for the government to take your property by the mere allegation that it was involved in a crime. There doesn't have to be any proof, arrest, or conviction of a crime for them to seize your car, house, cash, or land. In 2013 alone, the federal government seized over \$2 billion in assets through civil forfeiture practices.

Our clients Russ and Pat Caswell owned and operated the Motel Caswell in Tewksbury, Massachusetts, which had been in their family for two generations. They took great care to keep their motel safe and haven't been accused of a single crime. But the local police department partnered with the federal government to seize the Caswells' \$1.5 million property through civil forfeiture. The police said they could do this because a handful of guests over the past 20 years engaged in illegal activity behind closed doors while staying at the motel. The police acknowledged that the Caswells were unaware of any crimes.

Shockingly, law enforcement agencies can not only take property without charging the property owner with wrongdoing, but also give the proceeds of forfeiture directly to the agencies that seize the property—giving them a direct financial incentive to abuse this power.

If the owner doesn't have the resources to fight the taking, the government keeps everything. An article from The New Yorker stated that "Many states, facing fiscal crises, have expanded the reach of their forfeiture statutes, and made it easier for law enforcement to use the revenue however they see fit... Often, it's hard for people to fight back. They are too poor... they just can't sustain the logistical burden of taking on unyielding bureaucracies." Civil forfeiture turns our justice system on its head because property owners are effectively guilty until proven innocent.

But, in a stunning victory for liberty and property rights, a federal judge ruled in favor of the Caswells. The judge said the motel was not subject to forfeiture under federal law and that its owners were wholly innocent of any wrongdoing. We are building on the momentum from this victory with cases in Arizona, California, Connecticut, Indiana, New Mexico, and Pennsylvania to end this egregious abuse of government power.

Another fundamental attribute of the American Dream under constant attack is **economic liberty**, the right to earn an honest living.

Among the most oppressive burdens on entrepreneurs are arbitrary and unnecessary occupational licensing requirements. Take for example the Benedictine monks of Saint Joseph Abbey who wanted to sell simple wooden caskets made in their abbey to the public.

To the monks' surprise, they faced large fines and jail time because only licensed funeral directors were allowed to sell caskets. To sell caskets legally, the monks would have to abandon their calling for one year to apprentice at a licensed funeral home, learn

unnecessary skills, and take a funeral industry test. They would also have to convert their monastery into a “funeral establishment” by, among other things, installing embalming equipment. All to sell a box!

Or consider our client Elmer Kilian in Wisconsin who has been preparing tax returns for his neighbors for the past 30 years. He could have lost his business because the IRS tried to institute unlawful licensing regulations. Elmer was not alone. These licensing regulations would have subjected approximately 350,000 individual tax preparers to the new regulations and required them to take a government exam, pay fees to the IRS, and take continuing education classes every year. But Congress never gave the IRS the authority to license tax preparers, and the IRS can't give itself that power. The Institute for Justice's path-breaking case put an end to the IRS's unlawful power grab.

The Economist explained that the new IRS regulations “threaten to crush...small, local” tax preparers and are “likely to push mom and pop into another line of work.” The Wall Street Journal agreed, noting: “Cheering the new regulations are big tax preparers like H&R Block, who are only too happy to see the feds swoop in to put their mom-and-pop seasonal competitors out of business.”

Cases like the monks' and Elmer's are not isolated incidents. In the 1950s about 1 in 20 workers required a license from the government to work. Today, it is *1 in 4*. Many of these laws serve no legitimate government interest in protecting health or safety, but instead exist to protect insiders from competition by new companies. Forbes magazine called these licensed occupations the “new unions” because of the way they restrict competition.

That's why we represent entrepreneurs of modest means who are trying to start businesses but find themselves kept out by arbitrary licensing laws. As Paul Gigot of The Wall Street Journal says, “The Institute for Justice's cases deal with the common man...with people who otherwise wouldn't have a champion.”

We won a final victory on behalf of the Saint Joseph Abbey monks when the U.S. Supreme Court rejected the Louisiana State Board of Embalmers and Funeral Directors appeal, upholding our unanimous victory before the 5th U.S. Circuit Court of Appeals. And in our case against the IRS, the D.C. Circuit Court of Appeals saved tens of thousands of independent tax preparers from going out of business by declaring the IRS scheme unlawful. The IRS declined to appeal the decision, so this ruling and our victory hold final.

We have won victories for a wide variety of people seeking to pursue a vast range of occupations who all suffered from the same plight. The law treated them as *criminals* for trying to earn an honest living. When we win for one entrepreneur we win for all with the precedent we set.



Our **First Amendment** right to speak freely and petition the government also are not safe. Increasingly, the political establishment passes laws designed to entrench incumbents and deter insurgents. One powerful weapon they use is campaign finance laws. These laws increasingly make it so that activists need lawyers and accountants to be sure that ordinary political expression doesn't subject them to fines and other penalties.

Karen Sampson and her neighbors in Parker North, Colorado, found this out the hard way. In the midst of a debate about whether their tiny subdivision of 300 homes should be annexed into the neighboring town of Parker, the supporters of annexation filed a campaign finance complaint against the six most vocal opponents and threatened to go after anyone else with so much as a yard sign opposing the annexation.

You see, Colorado law required our clients to track and report all "contributions" and "expenditures" and disclose the identities of anyone who contributed money to their efforts. So if you and a neighbor distributed fliers or put up yard signs that support or oppose a ballot issue, Colorado considered you an "issue committee" and redefined your speech as campaign "finance" activities as long as you spent more than \$200. As John Stossel said, "campaign finance rules have become a tool that insiders use to silence their opponents."

Fortunately for the residents of Parker North, IJ's litigation on their behalf led to a federal appellate court vindicating their right to free speech. The court recognized the severe burden Colorado's campaign finance laws imposed on grassroots political activists and struck down the unconstitutional regulations. But these laws are proliferating at the federal, state, and local levels and IJ's defense of free speech has become more important than ever. That's why we are litigating a case in Alabama and an additional case in Colorado to vindicate this important principle.

Since we opened our doors in 1991, there has not been a single day that the Institute for Justice has not been defending **school choice**. When we fight for school choice and challenge the government school monopoly, we seek to empower parents to control their children's education. For many families, school choice programs are the only escape from inadequate public schools.

But groups like the teachers' unions and the ACLU are constantly attacking attempts at educational reform, including school choice programs. With a 2002 U.S. Supreme Court victory, the Institute for Justice put the issue on the map and paved the way for education reform nationwide.

Since then we have defended numerous school choice programs across the country. In 2011 we secured yet another U.S. Supreme Court victory for a choice program in Arizona, and since 2013 we have secured state supreme court victories in Alabama, Indiana, New Hampshire, Nevada, and North Carolina. As the lawyers for the school choice movement, we are currently defending path-breaking new choice programs in Montana, Florida, Georgia, and Colorado.

No child should be held hostage in a failing school. Parents and children deserve the ability to break free from stifling bureaucracies that apply a one-size-fits-all approach to learning and to choose the educational opportunity that best serves their needs. That's why IJ will continue working diligently to secure greater school choice across the country.

It's clear that the future of America is in play right now. Will we have ever-expanding government or the limited government envisioned by the Founding Fathers?

Without constitutional limits on government power, we will be forced to rely on the self-restraint of politicians and government officials and history shows that's no limit at all.

With your support, we will be the nationwide champion of the Constitution. I'll be sure to keep you up-to-date on the outcome of your investment. I will send you our bi-monthly newsletter, Liberty & Law, as well as periodic updates and status reports on our cases.

Please send the most generous gift you can of \$100, \$500, \$1,000, \$5,000, or more today.

We accept no government funds and depend on the generosity of people like you, who believe in the principles of a free society, who are willing to invest in its future, and who care deeply enough about the future of our country to stand up for freedom as America's Founders did when their liberty was at stake.

Your tax-deductible gift today will enable the **Institute for Justice** to make a powerful difference in the battle to protect individual rights and limit the scope of government.

I hope to hear from you soon.

Sincerely,

A handwritten signature in blue ink that reads "Scott Bullock". The signature is written in a cursive, slightly slanted style.

Scott G. Bullock  
President and General Counsel