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REPORT TO THE PEOPLE

by CONGRESSWOMAN

FLORENCE P. DWYER



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Not very much attention has been paid to it in the press, but a lengthy investigation by our Veterans Affairs Committee here may produce results of great benefit both to veterans' organizations and to people generally.

For several weeks now, the Committee has been looking long and hard at the multiple, and sometimes devious, means which have been devised to separate citizens from their dimes, quarters, and dollars--all for the sometimes undefined purpose of "helping the veteran."

Much of this fund-raising activity is not only legitimate but eminently worthwhile. Established veterans groups, locally and nationally, require financial support for the many charitable, self-help and civic-minded programs they operate. The results have been demonstrably valuable year after year.

Quite obviously, these activities have not been the target of our investigation. Rather, we have been seeking answers to two bothersome questions:

How many fly-by-night organizations have been flirting about the fringes of respectability, claiming veteran's status, and soliciting funds for purposes alleged to be of assistance to veterans--but using very little of their income for such purposes?

That is, how many groups have exploited veterans for the principal benefit of private operators?

And second, what are the methods which these groups have conjured up to raise money which in fact either mislead the contributing public as to the purpose of the fund-raising and the nature of the organization, or unethically pressure the public into giving?

One case, on which we've spent much time, illustrates both these problems all too well. Its name is NAVEC, short for National Association of Veterans' Employment Councils. Its ancestry almost gives it away, since its chief promoters were also behind the so-called Handicapped War Veterans' National Organization, until the outfit was dissolved at about the time it was indicted by a U. S. District Court

grand jury for fraud, in 1955.

NAVEC, however, seems to have been an even more ambitious project. It began operation in 1955, as a membership organization, to raise money for the announced purpose, among others, of helping handicapped veterans to obtain employment.

But NAVVEC was in hot water with other veterans' groups and government agencies almost from the start. Rather than a membership association, it operated with a self-perpetuating board dominated by one individual. At its creation it had no assets. Instead, it entered into a highly questionable contract with a Chicago fund-raising organization which is now under indictment for mail fraud. This was the source of most of its mailing lists, by means of which NAVVEC mailed ball-point pens to established donor lists, with requests that the pen be kept and \$1.00 remitted--to help handicapped veterans, the solicitation said.

Repeatedly, NAVVEC attempted to claim or imply it had endorsements from prominent public officials, private organizations and government agencies--many of which publicly disclaimed any association and charged NAVVEC with deception.

For a time, it even operated as a charitable, tax-exempt organization, though the Internal Revenue Service has since denied any tax-exempt status. NAVVEC's tax liability is now estimated at \$106,000.

Despite this record, NAVVEC had considerable success; or, rather, its promoters enjoyed the success. In little more than two years it raised about \$3,130,000.00--much of which went for exorbitant expense accounts, entertainment, travel, unauthorized expenditures, unsupported payments, and extravagantly unwise purchases.

As for handicapped veterans--our Committee investigated every claim of employment assistance submitted by NAVVEC and has been able to verify only 188 cases. Of these, nearly half were temporary, part-time employees of NAVVEC itself.

To me, however, the most brazen thing about this whole operation was the bold proposition made to the Committee by NAVVEC's chief promoter: that NAVVEC would dissolve itself if--and this was implicit in the deal--if the Committee would drop its case against them.

Such is the way some men convict themselves with their own words.

Needless to say, the Committee would have no part of such a proposal.

We will, I expect, find many more variations of the same fundamentally dishonest purposes and methods as were involved in the case of NAVVEC. This information will be important to us in our effort to determine what, if any, legislation should be enacted to protect the public and the honest veterans' organizations from this kind of disreputable exploitation.

You may recall, in this respect, the report last month of the N. J. Legislature's Charitable and Philanthropic Fund-raising Study Commission, which recommended a nation-wide study of such aspects as mail solicitations and the possibility of licensing such activities.

For these reasons, I would welcome from any of you--veterans and non-veterans, organizations and individuals-- your thoughts and ideas and especially your own experiences with fund-raising activities.

I should like to know, for example, your views on what kind of fund-raising methods are ethical; what kinds are objectionable, and why; how large a percentage of the funds raised should be used directly for veterans' purposes; how much information has the public a right to expect about the amounts and uses of this money.

We all have a large stake in honest fund-raising. We, the general public, want assurance that our money will be put to good use. You, veterans and veterans' organizations, have a wonderful reputation to protect and some excellent work on behalf of the needy to advance.

Those unscrupulous few, who feed on America's generosity to good causes, hurt us all. It is in ~~our~~ our best interests to stop them.

* * * *

As you read this, Congress will be in the middle of its annual Easter recess-- that 10-day period when most of us try to get back home and find out what you think about things. I plan to be doing a lot of asking and listening during this time, and return to Washington with a better idea of where we want to go in this time of recession, space exploration, and nuclear stalemate.

The problems are immense, granted, but we can't avoid them. Not, that is, if freedom and democracy are still worth struggling for. And this struggle means responsibility, unselfishness, hard work--qualities which will be much in demand when Congress comes back to face such problems as: aid to education, reciprocal trade extension, anti-recession programs, foreign aid, the defense budget, reorganization of the Defense Department, revision of Federal election laws, regulation of certain labor union activities, and a hundred others.

To the degree that Congress succeeds in acting wisely and responsibly, your own wisdom, restraint, and good sense will have accomplished it.

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