

## Tax-Exempt Organization Complaint (Referral)

1. Name of referred organization

AN FOUNDATION

Street address

21750 HARDY OAK BLVD

City SAN ANTONIO	State TX <input type="checkbox"/>	ZIP code 78258	Date of referral MAY 4, 2023
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2. Organization's Employer Identification Number (EIN)

85-2450338

3. Nature of violation

- Directors/Officers/Persons are using income/assets for personal gain
- Organization is engaged in commercial, for-profit business activities
- Income/Assets are being used to support illegal or terrorist activities
- Organization is involved in a political campaign
- Organization is engaged in excessive lobbying activities
- Organization refused to disclose or provide a copy of Form 990
- Organization failed to report employment, income or excise tax liability properly
- Organization failed to file required federal tax returns and forms
- Organization engaged in deceptive or improper fundraising practices
- Other (*describe*)

FAILURE TO DISCLOSE OFFICERS AND DIRECTORS, FAILURE TO DISCLOSE SOURCE OF DONATION, FAILURE TO DISCLOSE RELATED ORGANIZATION, AND OTHER INCOMPLETE REPORTING

4. Details of violation

Name(s) of person(s) involved

DR. DANIEL ROGERS

Organizational title(s)

PRESIDENT

Date(s) 2018, 2019, 2021	Dollar amount(s) ( <i>if known</i> )
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Description of activities

SEE DESCRIPTION OF VIOLATIONS IN ATTACHED SUPPORTING DOCUOMENTATION

5. Submitter information

Name

NATIONAL LEGAL AND POLICY CENTER

Occupation or business

PUBLIC INTEREST ETHICS WATCHDOG ORGANIZATION

Street address

107 PARK WASHINGTON COURT

City FALLS CHURCH	State VA <input type="checkbox"/>	ZIP code 22046	Telephone number 703-237-1970
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- I am concerned that I might face retaliation or retribution if my identity is disclosed

**6. Submission and documentation:** The completed form, along with any supporting documentation, may be mailed to IRS EO Classification, Mail Code 4910DAL, 1100 Commerce Street Dallas, TX 75242-1198, faxed to 214-413-5415 or emailed to [eoclass@irs.gov](mailto:eoclass@irs.gov). **Disclaimer Notice:** Your email submission of Form 13909 and attachments are not encrypted for security.

**Tax-Exempt Organization Complaint (Referral)**

## 1. Name of referred organization

DISINFORMATION INDEX, INC.

## Street address

21750 HARDY OAK BLVD

City SAN ANTONIO	State TX <input type="checkbox"/>	ZIP code 78258	Date of referral MAY 4, 2023
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## 2. Organization's Employer Identification Number (EIN)

85-2450338

## 3. Nature of violation

- Directors/Officers/Persons are using income/assets for personal gain
- Organization is engaged in commercial, for-profit business activities
- Income/Assets are being used to support illegal or terrorist activities
- Organization is involved in a political campaign
- Organization is engaged in excessive lobbying activities
- Organization refused to disclose or provide a copy of Form 990
- Organization failed to report employment, income or excise tax liability properly
- Organization failed to file required federal tax returns and forms
- Organization engaged in deceptive or improper fundraising practices
- Other (*describe*)

FAILURE TO DISCLOSE OFFICERS AND DIRECTORS, RECEIVING UNREASONABLE AND EXCESSIVE COMPENSATION, INCOMPLETE TRANSACTIONS

## 4. Details of violation

## Name(s) of person(s) involved

DR. DANIEL ROGERS

## Organizational title(s)

PRESIDENT

Date(s) 2021	Dollar amount(s) ( <i>if known</i> ) \$67,761
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## Description of activities

SUPPORTING DOCUMENTATION ATTACHED

## 5. Submitter information

## Name

NATIONAL LEGAL AND POLICY CENTER

## Occupation or business

PUBLIC INTEREST ETHICS WATCHDOG GROUP

## Street address

107 PARK WASHINGTON COURT

City FALLS CHURCH	State VA <input type="checkbox"/>	ZIP code 22046	Telephone number 703-237-1970
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- I am concerned that I might face retaliation or retribution if my identity is disclosed

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# National Legal and Policy Center

*"promoting ethics in public life"*



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**Since 1991**

May 4, 2023

Robert Malone  
Director, Exempt Organizations Division  
Internal Revenue Service  
TEGE Referrals Group - MC 4910 DAL  
1100 Commerce Street  
Dallas, TX 75242  
Via Email: [eoclass@irs.gov](mailto:eoclass@irs.gov)

Re: Supporting Documentation to Forms 13909: Tax-Exempt Organization Complaint (Referral) Disinformation Index, Inc. EIN 85-2450338 and AN Foundation (formerly Disinformation Index Foundation) EIN 83-2235831

Dear Mr. Malone:

The National Legal and Policy Center (NLPC) hereby submits this supporting documentation for the two attached Form 13909 Tax-Exempt Organization Complaints (Referral) regarding violations of IRS rules and regulations by the Disinformation Index, Inc., a registered 501(c)(3) tax exempt organization, the AN Foundation, a registered 501(c)(3) private foundation, and Dr. Daniel Rogers, aka Danny Rogers, the president of both organizations who signed the defective and incomplete Form 990s under penalty of perjury.

NLPC is a nonprofit 501(c)(3) ethics watchdog organization that has filed ethics complaints against public officials and organizations for failing to comply with relevant disclosure laws and related laws and regulations at the state and federal level.<sup>1</sup> This complaint is based on information regarding the questionable activities of these two organizations by

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<sup>1</sup> For information about NLPC's Government Integrity Project, see <https://www.nlpc.org/?s=government+integrity+project>. See also NLPC's IRS Complaint against Ebenezer Building Foundation and Senator Raphael Warnock for failing to disclose related organizations in its ownership of an Atlanta apartment building where poor Black tenants are being evicted for unpaid back rents as little as \$28.55, <https://www.nlpc.org/government-integrity-project/irs-complaint-filed-against-senator-warnocks-church-for-hidden-ownership-of-atlanta-apartment-building/> and NLPC's IRS Complaint against Black Lives Matter Global Network Foundation and Patrisse Cullors for unlawful personal use of nonprofit assets, <https://www.nlpc.org/featured-news/irs-complaint-filed-against-black-lives-matter-for-mansion-purchase/> and for unlawful fundraising <https://www.nlpc.org/corporate-integrity-project/nlpc-files-complaints-against-black-lives-matter-over-fundraising>.

investigative reporter Gabe Kaminsky in a series of recent news stories in the *Washington Examiner* and information found in their respective Form 990s and other public reports.<sup>2</sup>

As will be demonstrated herein, both the Disinformation Index, Inc. and its related AN Foundation (formerly Disinformation Index Foundation) have violated a number of IRS rules and regulations, including the failure to disclose any directors of the organizations, including Clare Medford; failing to disclose the Global Disinformation Index as its UK-related organization; redacting the names of its officers; failing to disclose the identity of a \$115,000 donation; and giving an excessive and unreasonable compensation to its president, Dr. Daniel Rogers, amounting to an hourly rate of over \$1,300 for the one hour a week he devotes to the organization.

For these reasons, NLPC requests that the IRS fine the two organizations for their reporting violations, assess an excess benefit tax, and revoke their tax-exempt status.

### **I. The Mission of the Global Disinformation Index Is to Shut Down Conservative Websites**

The Global Disinformation Index (GDI) is a UK organization with its two affiliated U.S. nonprofit groups, the Disinformation Index, Inc. and the AN Foundation, whose mission is to defund and shut down conservative websites for disseminating alleged "disinformation." They do this by sending out an index or blacklist of conservative news and media websites to major corporations and advertising companies worldwide to shame them into withholding their advertising dollars to these news outlets. GDI is funded by a number of partners, including George Soros's Open Society Foundations and the National Endowment for Democracy, a U.S. State Department supported organization.

As reported by the *Washington Examiner*, the top 10 conservative news organizations on GDI's hit list include the New York Post, the Washington Examiner, the American Conservative, the Federalist, and One American News. GDI's censorship project has received \$330,000 from two State Department-backed entities, including the National Endowment of Democracy (NED), raising First Amendment concerns and prompting an investigation by members of Congress.<sup>3</sup>

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<sup>2</sup> See, e.g., Gabe Kaminsky, "Disinformation Inc: State Department bankrolls group secretly blacklisting conservative media," *Washington Examiner* (Feb. 9, 2023)

<https://www.washingtonexaminer.com/restoring-america/equality-not-elitism/disinformation-group-secretly-blacklisting-right-wing-outlets-bankrolled-state-department>

Gabe Kaminsky, "Disinformation Inc: Meet the groups hauling in cash to secretly blacklist conservative news," *Washington Examiner* (Feb. 9, 2023),

<https://www.washingtonexaminer.com/restoring-america/equality-not-elitism/disinformation-conservative-media-censored-blacklists>

<sup>3</sup> See Gabe Kaminsky, "Disinformation' group blacklisting conservative news pressed by Ken Buck over hiding tax forms," *Washington Examiner* (Apr. 18, 2023)

<https://www.washingtonexaminer.com/news/global-disinformation-index-pressed-by-ken-buck-hiding-tax-forms>

Because of this recent scrutiny of GDI's anti-First Amendment activities, their blacklist is generating a backlash as corporations, such as Oracle, are beginning to dissociate themselves from the services of GDI.<sup>4</sup>

It is hypocritical of GDI to claim that its mission is "transparency" and that it discloses its funding sources, yet fails to disclose the source of a \$115,000 to its private foundation as required by law and chooses not to disclose the source of its major donors to its public charity.

## **II. The Disinformation Index Foundation Forms 990-PF for 2018, 2019, and 2021 Contain Omissions and Questionable Transactions.**

**2018 Form 990-PF.** The Disinformation Index Foundation (DIF) filed its initial disclosure form on November 19, 2019 as a tax-exempt private foundation, DIF listed total contributions of \$13,980 during 2018 which came from a single source: its foreign UK-affiliated organization, the Global Disinformation Index (GDI). Yet, the GDI is **not** listed as an affiliated organization of either DIF or the Disinformation Index (DI), even though on its 2021 Form 990, DI lists its website as "*disinformationindex.org*." But that website is the one for the Global Disinformation Index (GDI),<sup>5</sup> which lists Clare Melford as its Co-Founder and CEO and Dr. Daniel Rogers as Co-Founder and Executive Director. The failure to list GDI as an affiliated organization in the Form 990s of both the DI and the DIF violate the IRS disclosure rules.

Of the \$13,980 contribution DIF received from GDI, DIF reported spending \$11,471 of that on legal fees (Part I, line 16a), which is 82 percent of its income. One wonders what legal expenses were incurred to justify such a large amount of DIF's income. Notably, no expenses were reported for Accounting Fees (Part I, line 16b) although the 990 form was prepared by Mark E. Rapson of the accounting firm Katz Abosch and is listed as the "**Paid Preparer**." The 990 form was signed under penalties of perjury by its President, Daniel Rogers.

In Part VIII, DIF lists "Danny Rogers" (aka Dr. Daniel Rogers), whose address is listed as PO Box 6342, Long Island City, NY 11106, as its **only** officer (President) devoting an average of one hour per week to DIF with no compensation. No Directors are listed even though IRS requires that "**all**" officers and directors should be listed with their titles. However, in its 2021 State of Delaware Annual Franchise Tax Report, Dr. Daniel Rogers is listed as **both** an Officer (President) **and** a Director with the address of 31-64 21<sup>st</sup> Street, #323, Long Island City, NY

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<sup>4</sup> Gabe Kaminsky, "*Disinformation Inc: Massive corporation Oracle severs ties with conservative blacklist group*", Washington Examiner (Apr. 19, 2023) <https://www.washingtonexaminer.com/news/oracle-ends-global-disinformation-index-partnership-blacklisting-conservatives>

<sup>5</sup> <https://www.disinformationindex.org/>

11106, the same address listed on its Form 990-PF. The phone number is listed as (240) 366-7361.

Moreover, Clare Melford is also listed as a Director in the Delaware filing at the same New York address. Thus, if both Mr. Rogers and Ms. Melford were Directors of DIF in 2018, they should have been so listed on the Form 990-PF. The IRS should investigate the foundation to see if all of its directors and officers were fully disclosed in all of its filed Form 990s from 2018 to the present.

**2019 Form 990-PF.** In its 2019 report filed on November 16, 2020, DIF changed its name to AN Foundation with the same New York address and phone number as disclosed in its 2018 report. The foundation reported a total of \$19,612 in contributions and expenditures of \$9,546 for legal fees (Part I, line 16a), which represents almost 50 percent of its budget. Again, no expenditures were reported for accounting fees, although just like the 2018 Form 990 PF, it too was prepared by Mark E. Rapson of the Katz Abosch accounting firm, listed as the “**Paid Preparer.**” Is the accounting firm getting paid from another source? If so, that amount is an indirect but reportable contribution to the foundation. Or is the accounting firm providing its accounting services *pro bono* to the foundation? The IRS should investigate the accounting services arrangement with the foundation to see if they were properly reported.

AN Foundation reported receiving one contribution of \$16,050 from Meedan in San Francisco, CA. Meedan describes itself as “A non-profit that builds software & initiatives to strengthen global journalism, digital literacy & info accessibility.” While Meedan’s Form 990 for 2019 is not available, their 2018 return lists no contributions made although their revenue was approximately \$1.8 million. The IRS should examine Meedan’s 2019 Form 990 to verify whether it gave that amount to AN Foundation.<sup>6</sup>

In Part VIII of its Form 990-PF, the AN Foundation lists “Danny Rogers” (aka Dr. Daniel Rogers) as its only officer (President) devoting an average of one hour per week to the foundation with no compensation. Just like it failed to do so in its 2018 Form 990-PF, **no** Directors are listed even though IRS requires that “**all**” officers and directors be listed with their titles. This apparently conflicts with the information provided in its State of Delaware Annual Tax Franchise Report. On information and belief, both Mr. Rogers and Ms. Melford were Directors of the foundation in 2019 and should be reported as such.

**2021 Form 990-PF.** In its 2021 report,<sup>7</sup> the address of the foundation was changed from New York to 21750 Hardy Oak Blvd, San Antonio, TX 78257. For the first time, the AN Foundation improperly redacted information about its officers and other information, including

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<sup>6</sup> The undersigned requested Meedan to provide its Form 990, which is pending.

<sup>7</sup> AN Foundation’s Form 990-PF for 2020 is not available online and has been requested along with other information. That request is pending. NLPC reserves the right to supplement this complaint with additional information when it obtains it.

its accountant (although a partial showing of the address appears to be that of Katz Abosch, the same accountant that prepared the 2018 and 2019 report).<sup>8</sup>

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	7a	X
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	7b	N/A
8 Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	8	X

**Part VII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

1 List all officers, directors, trustees, and foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
[REDACTED]	PRESIDENT			
[REDACTED]	1.00	0.	0.	0.
21750 HARDY OAK BLVD #104 SAN ANTONIO, TX 78258	SECRETARY			
	1.00	0.	0.	0.
21750 HARDY OAK BLVD #104 SAN ANTONIO, TX 78258	TREASURER			
	1.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

In the first place, the name and address of its president is unlawfully redacted. On information and belief, the president of the AN Foundation is Danny Rogers and his address is may no longer be his New York address, but the same San Antonio, TX address as the unnamed secretary and treasurer. Indeed, AN Foundation's Delaware Franchise Tax Report for 2021, attached hereto, shows that Dr. Daniel Rogers is **both** the president **and** a director. Dr. Rogers signed the Delaware Annual Report under the penalty of perjury. Accordingly, the AN Foundation improperly omitted listing Dr. Rogers as a director.

Second, this appears to be the first time that the foundation listed additional officers of the organization other than its president, namely, a secretary and a treasurer, although their names too were improperly redacted.<sup>9</sup> Unlike the redacted address of the president, the addresses of these two officers are listed as 21750 Hardy Oak Blvd, #104, San Antonio, TX 78258. Yet the Delaware Franchise Tax Report for the year 2022 for the Disinformation Index, Inc., attached hereto, lists Dr. Rogers as the Director and Clare Melford as the Officer and both operating at 21750 Hard Oak Blvd, Suite 104, San Antonio, TX 78258. It appears then that **both** the AN

<sup>8</sup> As will be discussed in Section III, such redactions are unlawful under IRS regulations.

<sup>9</sup> In addition, the last four digits of the foundation's telephone number are redacted, although the area code (240) and the exchange 366 is the same as the full number reported on previous 990s, namely (240) 366-7361.

Foundation and the Disinformation Index have their principal place of business in San Antonio, Texas.

Third, in addition of omitting Dr. Daniel Rogers as a director, the form also fails to disclose that Clare Melford is a director as reported in AN Foundation's 2021 Delaware Franchise Tax Report, a copy of which is attached hereto. Her address was also changed from the New York address to the one in San Antonio, TX.

Finally, the AN Foundation lists the Disinformation Index, Inc. as a related tax-exempt organization based on their "**Common Board of Directors.**" See Statement 6 explaining Part XVI, Line 2. Yet neither the AN Foundation nor the Disinformation Index, Inc. list any directors on their respective 990 disclosure forms, let alone common ones!

**A. AN Foundation Unlawfully Failed to disclose the identity of a \$115,000 contribution.**

On Schedule B, Part I of its 2021 Form 990-PF, the AN Foundation reported that it received a contribution of \$115,000. However, the name and address of that contributor is not simply redacted, but is missing altogether. While it is true that 501(c)(3) public charities need not disclose their contributors (though they are free to do so, inasmuch as the groups claim that they disclose their funding sources), private foundations such as the AN Foundation are required to disclose their contributors.<sup>10</sup>

**B. AN Foundation's Liabilities to Related Entities Are Not Accurate.**

In Statement 5 appended to its 2021 Form 990-PF, the AN Foundation lists its liabilities at the beginning of the year as \$300,359 and \$494,106 at the end of the year from "related entities." The difference is \$193,747, which is the amount of liabilities that was additionally incurred by the AN Foundation from related entities during 2021. However, AN Foundation's only reported related entity is the Disinformation Index, Inc. The DI reported in its 2021 report that it loaned only \$119,866 in cash to the AN Foundation. So, who is the "related entity" source of \$73,881, which represents the difference between the actual amount loaned to AN Foundation (\$119,866) by DI and the additional amount the foundation reported has having been incurred during 2021(\$193,747)?<sup>11</sup>

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<sup>10</sup> 26 C.F.R. 301.6104(d)(4) ("In the case of a tax-exempt organization other than a private foundation, the term annual information return does not include the name and address of any contributor to the organization.").

<sup>11</sup> Notably, on Part IX of its 2021 Form 990, the Disinformation Index reports the \$119,866 loan to the AF Foundation as an asset, but it also reports as an asset another loan of \$275,727 to the "Disinformation Index LTD," which, on information and belief, is the UK-based Global Disinformation Index (GDI). However, the GDI is not listed as a related organization of either the AN Foundation or the DI on their respective Form 990s even though GDI's website is listed as the website of DI.



### **III. Both The AN Foundation And The Disinformation Index Unlawfully Redacted The Names Of Its Officers And Other Information From Their 2021 Form 990s.**

As noted in the previous section of this complaint, the AN Foundation's Form 990-PF for 2021 redacted the names of its officers, the accountant who prepared its report, and other information. Similarly, the Disinformation Index also redacted the same information in its 2021 Form 990. Such redactions are not only unlawful, but also are hypocritical for a non-profit organization whose stated mission is "transparency" and its opposition to "disinformation."

Under IRS rules, non-profits are required to provide the public with their annual Form 990s that they file with the IRS. The term "annual information return includes **an exact copy of any return filed** by a tax-exempt organization pursuant to section 6033." 26 C.F.R. 301.6104(d)(4)(i). Yet, when investigative reporter Gabe Kaminsky of the *Washington Examiner* requested the 2021 Form 990s from the organizations, he received the partially redacted forms.

When Mr. Kaminsky further inquired why the forms were redacted, he was informed by letter from their counsel, Marcus Owens of the firm Loeb & Loeb, that the groups are "withholding" details from their disclosures due to federal codes and regulations concerning "harassment campaigns" against groups, stating:

"The Index's personnel and their families have received multiple threats and hacking attacks, including threats of violence against their children.... As such, the organization is working [with] appropriate law enforcement authorities, telecommunications and Internet organizations; has appropriately withheld information that could lead to furtherance of this behavior."<sup>12</sup>

Mr. Owens, who formerly worked with the IRS, is apparently relying on a provision of the IRS regulations that allow a nonprofit entity to withhold its Form 990 in its entirety if they have a documented history of requests for their Form 990s as part of a harassment campaign **and** that the IRS has granted them an exemption from supplying their forms to a requester who is part of the harassment campaign. That reliance is misplaced as evidenced by the provisions of the pertinent regulation:

#### ***§ 301.6104(d)-3 Tax-exempt organization subject to harassment campaign.***

***(a) In general.*** *If the district director for the key district in which the organization's principal office is located (or such other person as the Commissioner may designate) determines that the organization is the subject of a harassment campaign and compliance with the requests that are part of the harassment campaign would not be in the public interest, a tax-exempt*

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<sup>12</sup> Gabe Kaminsky, 'Disinformation' network blacklisting conservative news hides tax forms over 'harassment,' *Washington Examiner* (Apr. 12, 2023).

<https://www.washingtonexaminer.com/news/disinformation-inc-network-blacklisting-conservative-news-hides-tax-forms-harassment>

organization is not required to fulfill a request for a copy (as otherwise required by [§ 301.6104\(d\)-1\(a\)](#)) that it reasonably believes is part of the campaign.

(b) **Harassment.** A group of requests for an organization's application for tax exemption or annual information returns is indicative of a harassment campaign **if the requests are part of a single coordinated effort to disrupt the operations of a tax-exempt organization, rather than to collect information about the organization.** Whether a group of requests constitutes such a harassment campaign depends on the relevant facts and circumstances. Facts and circumstances that indicate the organization is the subject of a harassment campaign include: a sudden increase in the number of requests; an extraordinary number of requests made through form letters or similarly worded correspondence; evidence of a purpose to deter significantly the organization's employees or volunteers from pursuing the organization's exempt purpose; requests that contain language hostile to the organization; direct evidence of bad faith by organizers of the purported harassment campaign; evidence that the organization has already provided the requested documents to a member of the purported harassing group; and a demonstration by the tax-exempt organization that it routinely provides copies of its documents upon request.

(c) **Special rule for multiple requests from a single individual or address.** A tax-exempt organization may disregard any request for copies of all or part of any document beyond the first two received within any 30-day period or the first four received within any one-year period from the same individual or the same address, regardless of whether the district director for the applicable key district (or such other person as the Commissioner may designate) has determined that the organization is subject to a harassment campaign.

(d) **Harassment determination procedure.** A tax-exempt organization may apply for a determination that it is the subject of a harassment campaign and that compliance with requests that are part of the campaign would not be in the public interest by submitting a signed application to the district director for the key district where the organization's principal office is located (or such other person as the Commissioner may designate). The application shall consist of a written statement giving the organization's name, address, employer identification number, and the name, address and telephone number of the person to contact regarding the application. **The application must describe in detail the facts and circumstances that the organization believes support a determination that the organization is subject to a harassment campaign.** The organization may suspend compliance with respect to any request for a copy of its documents based on its reasonable belief that such request is part of a harassment campaign, provided that the organization files an application for a determination within 10 business days from the day the organization first suspends compliance with respect to a request that is part of the alleged campaign. In addition, the organization may suspend compliance with any request it reasonably believes to be part of the harassment

*campaign until it receives a response to its application for a harassment campaign determination.*<sup>13</sup>

It is clear that the single request by an established reporter for a groups' Form 990s who is writing a news story about the organizations is not "**part of a single coordinated effort to disrupt the operations of a tax-exempt organization.**" Moreover, the nature of the harassment to be avoided is an inordinate number of requests for the groups' Form 990s which would require excessive administrative staff resources to comply with the requests such that it would "disrupt" their operations.

Mr. Owen's stated reason for the redaction of only the names of the groups' officers has nothing to do with the inundation of Form 990 requests in a coordinated harassment campaign, but rather the claim that its officers and children are being threatened and subject to hacking attacks. But if that were truly the reason to redact the officers' and accountant's names, that information is publicly available in their prior disclosure reports and on GDI's website. In any event, in order to obtain the exemption, the group has to document the harassment campaign and get approval for withholding the forms, information which Mr. Owens has yet to provide.<sup>14</sup>

Accordingly, both the AN Foundation and the Disinformation Index should be fined for failing to give an "exact copy" of their Form 990s to the public.

#### **IV. The Disinformation Index Has Grossly Violated IRS Rules By Paying an Unreasonably Excessive Compensation to its President and Should Have its Tax-Exempt Status Revoked**

Nonprofit entities are prohibited from paying their officers and directors an unreasonable or excessive compensation.<sup>15</sup> In its 2021 Form 990 return, the Disinformation Index (DI) reports that in 2020, it paid its President \$59,646 in compensation plus \$8,115 in additional compensation "from the organization and related organizations" for a total compensation package of \$67,761. Part VII, Section A.

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<sup>13</sup> [https://www.ecfr.gov/current/title-26/chapter-I/subchapter-F/part-301/subpart-ECFR1b5d05d4bfe19f9/subject-group-ECFR2bb42ef5f1a3a92/section-301.6104\(d\)-3](https://www.ecfr.gov/current/title-26/chapter-I/subchapter-F/part-301/subpart-ECFR1b5d05d4bfe19f9/subject-group-ECFR2bb42ef5f1a3a92/section-301.6104(d)-3)

<sup>14</sup> The only exception to the prior approval of the IRS to withhold the Form 990s is if a single individual requested the form more than twice within 30 days or more than four time in a single year. Clearly, that exception does not apply here. See 26 C.F.R. 301.6104(d)-3(c).

<sup>15</sup> National Council of Nonprofits – Executive Compensation <https://www.councilofnonprofits.org/running-nonprofit/governance-leadership/executive-compensation>; What is Reasonable Nonprofit Compensation? A Guide to Avoid IRS Penalties <https://nonprofitquarterly.org/what-is-reasonable-nonprofit-compensation-a-guide-to-avoid-irs-penalties/>

- List the organization's five highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Officer	Director	Key employee	Highest compensated employee	Former officer/director/trustee			
(1) [REDACTED] PRESIDENT	1.00	X	X				59,646.	0.	8,115.
(2) [REDACTED] SECRETARY	1.00	X	X				0.	0.	0.
(3) [REDACTED] TREASURER (THRU 11/23/21)	1.00	X	X				0.	0.	0.
(4) [REDACTED] TREASURER (AS OF 11/23/21)	1.00	X	X				0.	0.	0.

While that amount at first blush may appear to be reasonable, the amount of time devoted by the president to his duties is only two hours a week: one hour for DI and one hour for its related organization, which, according to Schedule R is the AN Foundation (formerly the Disinformation Index Foundation). Those two hours a week translates to 104 hours a year, for an effective combined salary of \$651 an hour.

If the president had worked a regular 40 hours a week for 52 weeks, the amount of time devoted to the **two** organizations would be 2,080 hours. At the \$651 hourly rate, that translates into an effective annual compensation of \$1,354,080! But if only the one hour a week which is listed as attributed to the DI is compensated at \$59,646 (without including the one hour devoted to and additional compensation of \$8,115 from the related AN Foundation), that translates into an eye-popping hourly rate of \$1,147.00 or an annualized compensation of \$2,385,840 attributed only to DI!

But it gets worse. The additional compensation of \$8,115 is listed as “other compensation from the organization **and** related organizations.” As noted, the related organization is the AN Foundation. The Form 990 for the AN Foundation does indeed show the president only worked one hour a week for the foundation, but it also noted that **no** compensation was paid to any officer or director. Therefore, the total compensation package of the president of the DI was \$67,761 for work **only** for DI. That is an **hourly rate of \$1,303** for the 52 hours the president worked for the entire year. If that hourly rate were paid for a normal work week of 40 hours, or 2,080 hours a year, that is an **effective annual compensation of**

**\$2,710,240!** That staggering hourly rate and effective annual compensation is excessive and unreasonable by any standard.

Under IRS rules, that payment constitutes an Excessive Benefit Transaction (EBT) and the recipient must pay an excessive benefit tax of 25 percent. Moreover, other managers or directors of the nonprofit who approved the payment are liable to personally pay a 10 percent tax. Not surprisingly, DI's Form 990 noted in Part VI, Section B, line 15, that it had **no** policy for **independent** persons to review and approve officer compensation.

Besides imposing the tax on the president and directors, the IRS can and should revoke the tax-exempt status of the DI for such grossly excessive compensation to its president. In addition, State Attorneys General can take enforcement action and impose sanctions, which NLPC intends to request at the state level.

### CONCLUSION

For all the foregoing reasons, the National Legal and Policy Center demands that the IRS fully investigate this complaint and take strong enforcement action against both the Disinformation Index, Inc. and the AN Foundation, including fining the two organizations for their reporting violations, assessing an excess benefit tax, and revoking their tax-exempt status. NLPC reserves the right to supplement this complaint as it obtains additional information about the two nonprofits.

Respectfully submitted,



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*Counsel to NLPC*

encls: State of Delaware Annual Franchise Tax Report for AN Foundation 2021  
State of Delaware Amended Annual Franchise Tax Report 2022

# State of Delaware

## Annual Franchise Tax Report

CORPORATION NAME			TAX YR.
AN FOUNDATION			2021
FILE NUMBER	INCORPORATION DATE	RENEWAL/REVOCACTION DATE	
7104951	2018/10/16		
PRINCIPAL PLACE OF BUSINESS			PHONE NUMBER
31-64 21ST STREET, #323 LONG ISLAND CITY, NY 11106			(443) 447-3885
REGISTERED AGENT			AGENT NUMBER
THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER 1209 ORANGE ST WILMINGTON DE 19801			9000010
AUTHORIZED STOCK	DESIGNATION/ STOCK CLASS	NO. OF SHARES	PAR VALUE/ SHARE
BEGIN DATE	END DATE		
OFFICER	NAME	STREET/CITY/STATE/ZIP	TITLE
	DR. DANIEL ROGERS	31-64 21ST STREET, #323 LONG ISLAND CITY, NY 11106	PRESIDENT
DIRECTORS	NAME	STREET/CITY/STATE/ZIP	
	DR. DANIEL ROGERS	31-64 21ST STREET, #323 LONG ISLAND CITY, NY 11106	
	CLARE MELFORD	31-64 21ST STREET, #323 LONG ISLAND CITY, NY 11106	
<p><i>NOTICE: Pursuant to 8 Del. C. 502(b), If any officer or director of a corporation required to make an annual franchise tax report to the Secretary of State shall knowingly make any false statement in the report, such officer or director shall be guilty of perjury.</i></p>			
AUTHORIZED BY (OFFICER, DIRECTOR OR INCORPORATOR) DR. DANIEL ROGERS 31-64 21ST STREET, #323 LONG ISLAND CITY, NY 11106 US		DATE 2021/06/08	TITLE PRESIDENT

# State of Delaware

## Amended Annual Franchise Tax Report

CORPORATION NAME			TAX YR.
DISINFORMATION INDEX, INC			2022
FILE NUMBER	INCORPORATION DATE	RENEWAL/REVOCAION DATE	
3410827	2020/08/10		
PRINCIPAL PLACE OF BUSINESS			PHONE NUMBER
21750 HARDY OAK BLVD, SUITE 104, PMB 14273 SAN ANTONIO, TX 78258			(443) 447-3885
REGISTERED AGENT			AGENT NUMBER
THE CORPORATION TRUST COMPANY CORPORATION TRUST CENTER 1209 ORANGE ST WILMINGTON DE 19801			9000010
AUTHORIZED STOCK BEGIN DATE	END DATE	DESIGNATION/ STOCK CLASS	NO. OF SHARES PAR VALUE/ SHARE
OFFICER	NAME	STREET/CITY/STATE/ZIP	TITLE
	CLARE A MELFORD	21750 HARDY OAK BLVD, SUITE 104, PMB 14273 SAN ANTONIO, TX 78258	MS
DIRECTORS	NAME	STREET/CITY/STATE/ZIP	
	DANIEL J ROGERS	21750 HARDY OAK BLVD, SUITE 104, PMB 14273 SAN ANTONIO, TX 78258	
<p><i>NOTICE: Pursuant to 8 Del. C. 502(b), If any officer or director of a corporation required to make an annual franchise tax report to the Secretary of State shall knowingly make any false statement in the report, such officer or director shall be guilty of perjury.</i></p>			
AUTHORIZED BY (OFFICER, DIRECTOR OR INCORPORATOR)		DATE	TITLE
DANIEL J ROGERS		2023/02/27	DR
21750 HARDY OAK BLVD, SUITE 104, PMB 14273 SAN ANTONIO, TX 78258 US			