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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL
RUSSELL SULLIVAN, DEMOCRATIC STAFF DIRECTOR

July 30, 2004

Mr. William May, Chairman
Statue of Liberty Ellis Island Foundation Inc
292 Madison Ave. 14
New York NY 10017

Dear Mr. May:

We are writing to you in regards to our continuing review of the Statue of Liberty-Ellis Island Foundation (the "Foundation"). We ask for your response to the following:

1. Geese Control. The Foundation's President and Chief Executive Officer, Stephen Briganti, states in a January 14, 1998 letter to a Park Service Superintendent that \$20,000 be spent to "Study and solve the management of the Canadian Geese." In 2001 and 2002 the Foundation spent \$45,000 per year on Geese Control and proposed \$35,000 in 2003. In an April 2, 2003 letter to Mr. John Sargent, Mr. Briganti states:

"Geese control is the cost of a dog, a white boarder collie, that walks throughout both islands twice a day. The boarder collie looks similar to a silver fox that is a natural predator of the geese. They are scared away and don't usually come back."

All related documents attached.

A cost of \$45,000 for a dog raises several questions. 1) Who is the owner of the dog?; 2) How was the dog selected?; 3) How many days per year (and hours per day) does the dog work?; 4) Who takes care of the dog and where is it housed?; 5) Please provide a complete breakdown of the \$45,000 in costs and a copy of any all material related to this matter.

2. Consulting Fees. In a taped interview of Mr. Briganti on April 14, 2004 by Finance Committee staff Mr. Briganti made the following statements in response to a question on his consulting fees:

In response to other sources of income beyond his salary at the Foundation, Mr. Briganti stated that he had done:

Briganti: "Some consulting."

Finance Committee Staff (Finance): "What is the consulting that you do?"

Briganti: "Primarily consulting in the areas of fundraising or nonprofit."

Finance: "Could you roughly say, I guess two rough questions. One, how much do you earn in that in a year? And two, who it is that you're usually doing the consulting with?"

Briganti: "Well, in recent years I haven't done it. Well, maybe one or two small ones. The most recent major one I can recall would be with the WWII memorial. They were starting up an organization like ours. "

We are troubled by these statements in light of the Report of the Independent Committee to the Board of Directors (the "Report") finding that Mr. Briganti had received from consulting \$143,122 in 1998; \$162,677 in 1999; \$158,810 in 2000; \$136,485 in 2001; \$19,312 in 2002 and \$2,750 in 2003. The Senate Finance Committee expects complete candor and honesty in witnesses. The statements and impressions created by Mr. Briganti are difficult to reconcile with the facts provided in the Report. We ask for your views on whether Mr. Briganti acted appropriately in his statements before the Finance Committee and also your response to the Report's comments about Mr. Briganti's consulting contracts – particularly given our understanding that some board members were not aware of Mr. Briganti's consulting contracts. Is it your opinion that Mr. Briganti was fully candid and honest with all Board members regarding these consulting contracts? Please provide any and all material related to this matter. Finally, as we have earlier requested, we still seek a detailed accounting of Mr. Briganti's travel, meals and reimbursement expenses for the last five years as well as a complete accounting of the "other compensation" he received.

3. Exclusivity. In a September 11, 2003 memorandum from Mr. Briganti to yourself and other members of the executive committee (attached) discussing fundraising, Mr. Briganti states that the Foundation has been "stabbed in the back from a fundraising standpoint." It is our understanding that Mr. Briganti was upset that the Statue of Liberty Foundation was not featured as the primary fundraiser for the statue. In response to this perceived backstabbing, Mr. Briganti states:

"I have halted all work regarding the Peopling of America Center at Ellis Island. We have not signed any contracts for that project but were set to do so and had scheduled two initial meetings for the designers, the NPS and our History Advisory Committee. Until we can have some fundraising assurance, we should not go forward."

We find this very troubling. It appears that the Foundation, which enjoys a special relationship with the Park Service, is happy to put its own priorities and that of its staff first, before providing benefits to the visitors of Ellis Island. Was this document shared with the Independent Committee? If not, why not? Please provide all related documents and material as

well as your own recollection of this matter.

4. Bourbon contract. It is our understanding that the Foundation recently entered into a contract with a bourbon manufacturer as a sponsor. Please provide all material showing when this sponsorship was approved by the Park Service.

5. Funding for lighting projects. An April 29, 2002 email regarding "Lighting Redesign in Statute" (attached) seems to suggest that the project was delayed, in part, because Foundation Endowment funds were not promptly approved for funding. Please explain why there was a delay in funding this project. Was this memo provided to the Independent Committee?

6. Foundation Perpetuation. An April 29, 1999 memorandum from Mr. Gary Kelley states as a justification for participating in the American Family Immigration History Center (AFIHC) as:

The Foundation has always worked on a "project" basis with NPS. Off and on for many years the Foundation thought it would go out of business. This agreement assures the Foundation (if AFHIC [sic] is successful) would continue indefinitely. (Attached).

Do you believe this is the proper basis for the Foundation making a decision to participate in a project?

7. Opening of the Statue. The Foundation's documents in support of its campaign with Folgers in response to the question of when will the statue be reopened, states:

As we understand it, the national Park Service and the Foundation have not yet determined when the work will be completed. The sooner we can raise the money through this campaign, the sooner the work can be completed. (Attached).

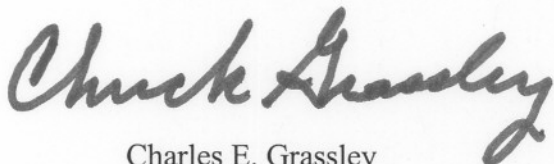
However, the Foundation's attorney stated to the Finance Committee:

The foundation said, you know, we don't want to delay anything, so we're already going to set aside \$400,000 out of that million that comes out of the endowment each year so we can get this work going, with the understanding and the expectation, because no one knew the statue would stay closed this long, that the foundation, as it had in the past would be able to launch a fundraising campaign. And the \$400,000 would never be spent fast enough before the fundraising campaign brought in whatever money was necessary for the project.

We are concerned that the Foundation's fundraising may have left an inaccurate impression to donors that the money contributed was necessary for the reopening of the statue. We would appreciate your response and a detailed accounting of what the funds raised from this campaign have been used for.

The Statue of Liberty is one of our nation's greatest treasures. The American people have the right to expect that those who receive donations for the statue's care and upkeep conduct themselves in accordance with the highest standards. Thank you for your time and assistance on this matter.

Cordially yours,



Charles E. Grassley
Chairman



Max Baucus
Ranking Member