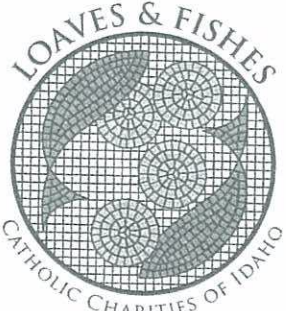


CCI forced to delay Loaves and Fishes

By Michael Brown
 Editor



BOISE — Catholic Charities of Idaho was forced to postpone its major fundraiser after a political candidate suggested the agency could lose its tax-exempt status if it proceeded. "This is unfortunate, as in years past this fundraiser has been CCI's premier event, bringing in close to \$40,000 in revenue that goes toward serving the neediest Idahoans," said a CCI press release announcing the postponement Aug. 12. "The loss of this revenue translates directly to a decrease in service opportunities for vulnerable families." Jana Kemp, an independent candidate for governor, began trading e-mails with CCI's Executive Director Rosio Gonzalez in early August, a month before the Sept. 10 annual Loaves and Fishes Gala. The event, set for the Stueckle Sky Center's Double R Ranch Room, was to feature Gov. Butch Otter and Democratic gubernatorial candidate Keith Allred, along with Rep. Walt Minnick, a Democrat representing Idaho's

First Congressional District, and his Republican opponent, state Rep. Raul Labrador. The first time the event was held was in 2005, and became an annual event in 2007. It was based on New York City's Alfred E. Smith Dinner, an annual gathering of leaders dating back to 1946. That roast honors the former Empire State governor and first Roman Catholic to run for the U.S. presidency. As proceeds from the Smith dinner benefit charities for the Archdiocese of New York, the funds raised from Loaves and Fishes benefit the programs of CCI.

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According to the CCI press release, "It has been successful and well-received for several years, featuring elected officials and candidates of the Republican and Democratic parties, who displayed their sense of humor by poking good-natured fun at themselves and others." Last year, it raised \$40,000 for CCI programs and this year's goal was \$50,000. An Aug. 5 e-mail from Kemp to Gonzalez inquired about CCI's tax-exempt status and asked if the agency lobbied legislators or gave campaign contributions. "I find it strange that an event is being hosted by CCI that is a campaign related undertaking," Kemp wrote. Gonzalez responded the next day thanking Kemp for her concern and noting that CCI was operating as a tax-exempt non-profit in accordance with IRS code. "We began this fundraising event several years ago as a means to raise awareness and funding for our programs and services across the state. Please know it is not a campaign event," she wrote, and included a copy of the regulations with her response. Kemp responded three hours later with the message "I still have

GREAT concern about the Loaves and Fishes event for 2010." She urged Gonzalez to take another look at the regulations, especially as they related to "any activity that exhibits any evidence of bias for one candidate over another is a prohibited activity - which in this event's case - CCI is showing a bias.... As my team reads the code, you all seem to be placing yourselves in a position of losing your nonprofit status, which was just gained in 2000." In the agency press release, Gonzalez said that the perceived threat of an IRS complaint was what compelled the agency's board to postpone the event. "Unfortunately, threatening CCI's nonprofit status does nothing to help provide for critical needs in the community, nor does engaging in a battle about our intentions help serve our mission," she wrote. In an Aug. 13 interview, Gonzalez said that she was hopeful the event could be rescheduled for later in the fiscal year, after tax lawyers could provide some significant opinion that would assure CCI that it would prevail in any complaint filed with the IRS. "This took us by complete surprise," Gonzalez said, adding that Kemp's messages "certainly caused us to pause." She noted that prior to the CCI Board of Directors' decision to delay the event, she consulted with three attorneys, none of whom specialized in tax law. They concurred that CCI would prevail if a complaint were filed



GOING, GOING, GONE? — Catholic Charities of Idaho Executive Director Rosio Gonzalez, seen here thanking supporters of her agency at the 2009 Loaves and Fishes Gala, will not likely get that opportunity this year because a forced postponement of the event means that rescheduling it is not likely to happen before Gonzalez leaves the agency later this year. (JCR file photo from CCI)

with the IRS, but that the cost of doing so and hiring an attorney specializing in these cases would run \$5,000-\$12,000. Gonzalez said that by postponing the event, the agency is exercising good stewardship. It will be able to research the legal options while putting the funds to use in programs serving vulnerable Idahoans rather than legal costs. Postponing so close to the event means that CCI could lose almost \$3,000 already spent on publicity and deposits to vendors, Gonzalez said, adding that it says nothing of the countless hours committed by staff during the last six months planning the event. "We just felt we couldn't put the agency in the middle of a political battle," Gonzalez said. "Clearly, this was not about our

agency." CCI has also received almost \$6,000 in sponsorships that will have to be returned, as well as \$1,000-table reservations already coming in, she said. "We were ahead (in donations) of where we were at this point last year." Rescheduling the event means "basically starting all over again," she added, which will be a challenge given that Congress and the Idaho Legislature return fulltime in January. Delaying it also means that Gonzalez, who had planned to leave CCI around the time of Loaves and Fishes, will not get the opportunity to thank the agencies' donors. She hoped the event would also present an opportunity to introduce those donors to her successor, who has not yet named. "I feel disappointed that I

won't get a chance to say goodbye to our amazing supporters," she said. The revenue anticipated for Loaves and Fishes was included in the agency's budget for the current fiscal year, Gonzalez noted, so holding the fundraiser eventually is essential. It will mean soliciting a tax attorney who could build a case in anticipation of a possible IRS investigation, she said. "It won't be ironclad, but would put us in a good position to defend ourselves." In the end, the decision to postpone Loaves and Fishes was rooted in the agency's faithfulness to its mission and supporters, she said. "We're not about getting into a political battle. We are into delivering services that is where our focus needs to stay." In an Aug. 14 press release, Kemp said that the e-mails Gonzalez were intended to remain private, and her comments should not have been perceived as a threat. "I made no suggestions, recommendations otherwise about the 2010 event being held." Gonzalez, who also received a copy of Kemp's press release, challenged Kemp's claim that the e-mails were intended to remain private, noting that candidates for public office had been cited on the messages. "Catholic Charities was very surprised to see you carbon copy other candidates on your e-mail exchange and make this exchange of information political," Gonzalez wrote in a response to Kemp Aug. 17. Gonzalez also maintained that the Aug. 6 message, as seen here and the Catholic Charities board, was more than a simple query. "Your e-mail was clear in our view, a threat to the purpose of our fundraiser and to our organization."