

The 60 Plus Association

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Kill the Death Tax. Protect Social Security. Energy Security.

James L. Martin
Chairman

Amy N. Frederick
President

Rep. Roger Zion (R-IN, 1967-75)
Honorary Chairman

Pat Boone
National Spokesman

April 15, 2011

Re: Subcommittees on Health and Oversight Hearing on AARP's Organizational Structure and Finances

Dear Chairman Herger and Chairman Boustany:

I watched, with great interest, your AARP joint sub-committee hearing of the House Committee on Ways and Means held Friday, April 1, 2011 and broadcast by C-SPAN. You are to be commended.

As you may recall, I served in the U.S. House of Representatives, elected to the 90th Congress (along with Congressman George Herbert Walker Bush from Houston) and was re-elected three times from Evansville, Indiana. I have also been honored to serve as Honorary Chairman of the 60 Plus Association, a post I have held for 19 years. Now "semi-retired" at age 89 years old, I stay current on both national and international events. Thus, I noted with interest that 60 was referenced several times during your hearing and I because I jealously guard the image of this organization, I submit this statement in order to set the record straight.

In 1992 Jim Martin founded the 60 Plus Association because he recognized the need for an organization solely dedicated to advocating for senior citizens who support traditional values such as limited government, fiscal restraint, less burdensome taxes, and a strong commitment to our Constitution. I first met Jim in 1964 when he was Administrative Assistant to then-Congressman Edward J. Gurney (Winter Park, FL), who was later elected in 1968 to the U.S. Senate. Prior to his service as Chief of Staff, Jim came to Washington in 1962 as a newspaper reporter. When he founded 60 Plus as a counter to the well-known and liberal AARP, Jim asked me if I would serve as Honorary Chairman, his premise being that he wanted someone around, as Jim said, for the "long haul". I was then 70 and have served proudly these past 19 years.

So, I believe I am well qualified to respond to these misconceptions about this fine organization: For example, Congressman Ron Kind (D-WI) stated at your hearing that 60 Plus has zero dues paying members, a description often bandied about by some of his liberal friends leaving the erroneous impression that 60 Plus thus has no supporters other than, as Mr. Kind said, only 'rich people'.

Technically, it is true 60 Plus has no 'dues paying members'. From its creation, no dues have been assessed to any person wishing to be affiliated with 60 Plus, because many of the over 7 million senior activists we represent are on limited incomes, and so many of them struggle daily to meet the costs of basic living. Therefore, we do not feel that they must 'pay to play'; even the poorest seniors amongst us deserve to have their voices heard and their interests considered.

Further, to respond to Mr. Kind's assertion that our organization is funded by the 'rich', while there are probably a sprinkling of 'rich people' amongst our over 300,000 donors, 99.9% of our donations are from those whose 'widow's mites' come out of their social security incomes, and average, if you will, approximately \$25 each. Rich, indeed!

To another false assertion, that 60 Plus should also have to reveal its 'profits', that is easy to answer. 60 Plus has no profits! Unlike the AARP, 60 Plus does not hawk products for a profit. At the outset, 60 Plus made that commitment, to sell no product. Thus, we are not a money-making conglomerate; we are strictly an advocacy organization. Therefore, 60 Plus does not have to choose between profit and ideology.

Perhaps Mr. Kind's comments were motivated by having been 'called on the carpet' in a TV ad by 60 Plus for having, in our view, betrayed seniors by supporting President Obama's health care act which cut Medicare by over \$500 billion, created the Independent Payment Advisory Board (IPAB) that will lead to medical providers dropping out of Medicare, eliminates the popular Medicare Advantage program for most seniors, and will jeopardize seniors' access to doctors and facilities. Seniors in record numbers continue to oppose this law that was rammed through without the support of the voters.

Another misconception stated over the course of the joint committee hearing was that AARP was never previously investigated, referring specifically to the fact the AARP sided with the Bush Administration in 2003 on its Part D prescription drug benefit. However, in 1995, the AARP was indeed called before Congress because of the controversy over the huge profit AARP makes from insurance sales, the same irregularities that are now being challenged by both of your Health and Oversight Sub-Committees in 2011. The record will show that Senator Alan Simpson held a hearing that year and later 60 Plus' Jim Martin testified, along with Senator Simpson, at a House hearing, chaired by your former colleague, Congressman David McIntosh (R-IN).

At that time, AARP was nailed by the IRS for \$135 million in UBIT (unrelated business income taxes). AARP claimed its payment was 'in lieu of taxes'. At the same time, AARP was hit with an additional \$5 million penalty for misuse of its lower-rate non-profit bulk mail permit, settling that penalty for about \$2.5 million. Interestingly, these UBIT taxes and postal penalties were easily paid by the AARP by "cutting checks" for the entire amount. That is quite a lot of readily available money for a non-profit. Thus it is not surprising that the national headquarters for the AARP is often referred to as their "Taj Mahal".

It is indeed unfortunate that Congress did not clearly distinguish between what is royalty income and what is commission. We do support the efforts of these two sub-committees to determine if there are indeed irregularities in the tax status of AARP and if there are, corrections should be implemented.

With the support of our senior citizen activists, 60 Plus remains proudly committed to the values important to this nation's seniors and soon-to-be seniors. That is, protecting social security, Medicare and Medicaid; entitlement programs seniors have earned by dutifully paying into all their working years.

Sincerely,

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The 60 Plus Association is a 19-year-old nonpartisan organization working for death tax repeal, saving Social Security, affordable prescription drugs, lowering energy costs and other issues featuring a less government, less taxes approach as well as a strict adherence to the Constitution. 60 Plus calls on support from over 7 million activists. 60 Plus publishes a newsletter, SENIOR VOICE, and a Scorecard, bestowing awards on lawmakers of both parties who vote "pro-senior." 60 Plus has been called, "an increasingly influential senior citizen's group" and since 1992 "the conservative alternative to the AARP."