

TO: All OSI-US Staff

FROM: Aryeh Neier

SUBJECT: Guidelines Concerning Political Campaign Activity

DATE: September 15, 2010

The actions of nonprofit organizations are closely scrutinized to ensure compliance with laws that prohibit them from engaging in campaign intervention. The Open Society Institute is under a particular spotlight because of the private political activities of its chairman, George Soros, despite those activities' complete separation from OSI. **OSI staff and consultants must make absolutely sure that they do not engage in any political activities that would violate OSI's tax-exempt status under section 501(c)(3) of the Internal Revenue Code.** Equally important, OSI staff and consultants must also ensure that they neither assist Mr. Soros with any private political activities in which he may engage nor act as conduits or intermediaries in this regard between Mr. Soros and non-OSI individuals.

As a tax-exempt charitable organization, OSI is prohibited by U.S. tax law without exception from using **ANY** of its resources to support partisan political activity or to intervene in an election on behalf of, or in opposition to, any candidate for electoral office. Thus, while OSI remains free to promote policies consistent with its mission (so long as it does so in accordance with the U.S. tax-law "lobbying" rules), it must, like all 501(c)(3) organizations, steer clear of any statements or activities that could be considered express or implied endorsements by OSI of particular candidates or political parties. For example, if you are speaking to a reporter or other external audience *as a representative of OSI*, you must *not* endorse, criticize, or evaluate the candidacy of anyone seeking electoral office at any level of government: federal, state, or local.

The separation between OSI's activities and any private (non tax-deductible) political activities by Mr. Soros does not mean that OSI will cease to criticize policies and actions it properly opposes. Nor does it mean that we will cease to engage in cutting-edge advocacy (consistent with the limits of private foundation law). But in the context of heightened scrutiny in which we operate, foundation staff must be vigilant not to cross lines into prohibited partisan activity.

OSI employees and consultants are free to support and volunteer time to political campaigns **as private citizens during their free time** - that is, outside regular business hours. Please note that, if volunteer time is to be provided on an intensive and ongoing basis, and particularly if you will have an official or high-profile role with any campaign, we ask that you inform OSI of your proposed engagement so that we can monitor your foundation activities to ensure that there is no improper or inappropriate overlap. In certain cases, a partial or full leave of absence from OSI may be appropriate in order to allow an employee to work with a particular campaign without risk to OSI.

Under no circumstances may OSI resources of any kind be used in any way. For example, **no** OSI employee or consultant may

- Use OSI e-mail, mailing lists, or other contact lists to recruit volunteers or contributions to a candidate or party,
- Provide information or materials prepared by OSI to a candidate or party unless the material has already been published broadly;
- Use OSI resources such as telephones, copiers, computers, or email to assist a candidate;
- Engage in campaign work in facilities owned or leased by OSI or use other OSI resources, such as remote e-mail or telephone vendors, at non-OSI sites.
- Work for a campaign during hours when you are compensated by OSI;
- Use OSI trademarks/intellectual property or letterhead when communicating with a candidate or with the public about a candidate; or
- Use OSI resources to issue invitations to partisan political events, such as fundraisers or rallies.

This prohibition on use of OSI resources in connection with campaigns for elective office reaches the heart of OSI's tax-exempt status. A finding that OSI resources were used for this purpose could cost OSI its tax exemption. Therefore, an OSI employee or consultant who becomes involved in a candidate's campaign must ensure that all interested parties understand that the employee or consultant **cannot and does not represent the views of OSI**. In some instances, this may require the OSI employee or consultant to provide an explicit disclaimer, clearly stating, **in advance of any work performed**, that any actions taken or statements made are those of the individual and not of OSI. We also ask OSI employees and consultants to be sensitive to potential conflicts of interest, real and apparent. For example, we request that you first review and discuss with me any public position you intend to take as a private citizen working on an electoral campaign, if that position bears on issues that you are also working on for OSI.

In addition, if you are speaking, writing or otherwise participating in a forum sponsored by OSI, please refrain from expressing views that could reasonably be interpreted as endorsing a specific candidate or political party.

Finally, any non-OSI person seeking to contact Mr. Soros in connection with political activities must be immediately referred to Michael Vachon at Mr. Soros's Soros Fund Management office at 888 Seventh Avenue. Soros Fund Management's main number is 212-262-6300.

Aryeh Neier