



8 May 2009

Internet Corporation of Assigned Names and Numbers (ICANN)
Board of Directors
4676 Admiralty Way, Suite 330
Marina del Rey, CA 90292-6601

Dear Members of the ICANN Board,

ICANN, a nonprofit public benefit corporation, is currently seeking to improve institutional confidence among its stakeholders. Among the issues raised by stakeholders is the need to improve transparency and accountability. That is difficult to do if there are questions about how ICANN may or may not be using contributed funds to directly or indirectly influence the results of the very bottom-up, consensus based process and coordination that it has committed to support. It is also difficult if ICANN demonstrates a lack of accountability by choosing not to provide the information necessary to build that confidence. For those reasons, GoDaddy.com makes the following Request for Information.

References

Code: Internal Revenue Code of 1986: <http://www.irs.gov/taxpros/article/0,,id=98137,00.html>
AOI: ICANN's Articles of Incorporation: <http://www.icann.org/en/general/articles.htm>
Bylaws: ICANN's Bylaws: <http://www.icann.org/en/general/bylaws.htm>

Request for Information

- 1) Please post Form 990 for Fiscal Year ending 30 June 2008.
- 2) Please provide details regarding the \$240,000 expenditure for Lobbying Activities as reported on Schedule A Part VI-B of form 990 for Fiscal Year ending 30 June 2007. The Statement for this expenditure on Schedule A says: "The organization hired a Government Affairs firm during the year ended June 30, 2007. As part of the services provided, the Government Affairs firm incurred \$240,000 of lobbying expenditures relating to direct lobbying with Federal legislators." Details would include the substance of the decision, legislation, campaign, or candidate that was being influenced and identification of the parties that were lobbied.
 - a) Our request for this information is consistent with: (i) Article 4 of the AOI which states in part (emphasis ours) , "The Corporation shall operate for the benefit of the Internet community as a whole, ...and, to the extent appropriate and consistent with these Articles and its Bylaws, through **open and transparent processes** that enable competition and open entry in Internet-related markets;" (ii) Article 5 of the AOI sub-articles b and c; (iii) Article III Section 1 of the Bylaws; and (iv) the right to confirm that lobbying activities undertaken have not violated Article II Section 3 of the Bylaws.

- b) In addition, the response to this request should clearly demonstrate: (i) whether the purpose of the expenditure qualifies as "influencing legislation" under section 4911(d)(1) of the Code; (ii) whether the expenditure was in excess of the lobbying ceiling amount of section 4911(c)(2) of the Code; (iii) whether the money was used to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office as prohibited in 501(c)(3); or (iv) why one or more of (i), (ii), or (iii) does not apply.
- 3) Please provide the same information and details as described in 2) for Lobbying Activities and expenditures for Fiscal Years ending 30 June 2008 and 30 June 2009.
- 4) Please provide identification of the contributors redacted on Schedule B of Form 990 for Fiscal Year ending 30 June 2007. ICANN states that names and addresses were redacted for confidentiality.
 - a) Our request for this information is consistent with: (i) the sections of the AOI and Bylaws as noted in 2)a) above; (ii) Article 5 of the AOI sub-article e; and (iii) Article III Section 2(iv) of the Bylaws.
 - b) In addition, the response should indicate: (i) which, if any, of these contributions was deemed Charitable as defined in section 170(c) of the Code. And if one or more contributions were deemed Charitable, whether ICANN provided any form of assurance to the contributor(s) that such contributions would be used within the United States or its possessions, as is required for deductible contributions under section 170(c) of the Code; (ii) whether any contributor was a Disqualified Person, Foundation Manager, or Government Official as defined in section 4946(a), (b), or (c) of the Code; (iii) whether any of the contributions made were for the purpose of funding lobbying activities, and if so, a description of those activities; and (iv) whether any of the contributions made were for the purpose of funding participation in, or intervention in any political campaign on behalf of (or in opposition to) any candidate for public office, and if so, identification of such campaign and candidate.
- 5) Please provide the same information and details as described in 4) for Contributions for Fiscal Years ending 30 June 2008 and 30 June 2009.
- 6) Statement 1-B of Form 990 for the Fiscal Year ending 30 June 2007 states that Dr. Paul Twomey was paid three bonuses totaling \$209,719 for service during 2004, 2005, and 2006. Please provide details on the criteria and/or goals that these bonuses were based on where, those criteria and/or goals involved policy related or other initiatives that were subject to bottom-up processes and/or community input or comment ("Applicable Criteria").
 - a) Our request for this information is consistent with: (i) the sections of the AOI and Bylaws as noted in 2)a) above; and (ii) the fact that as CEO Dr. Twomey is a voting Ex-Officio member of the Board of Directors. As such, Dr. Twomey's vote may influence the outcome of Board decisions regarding matters that were the basis of criteria and/or goals upon which his bonuses were based and may violate the last sentence of Article VI Section 6 of the Bylaws. For example, during the calendar year 2006 alone Dr. Twomey participated in votes on the following registry agreements: .com (28 Feb); .tel and .xxx (10 May); .asia (16 Oct); .biz, .info, and .org (8 Dec).

- b) In addition, for any bonuses paid based on Applicable Criteria that involved a Board decision in which Dr. Twomey participated please explain how such participation does not violate the last sentence of Article VI Section 6 of the Bylaws.
- 7) Please provide the same information and details as described in 6) for the \$148,000 in bonuses paid to Dr. Paul Twomey for Fiscal Year ending 30 June 2008. In addition, we request that any CEO bonuses based on Applicable Criteria be published publicly with, or as part of, the draft and final versions of the Operating Plan and Budget each Fiscal Year.
- 8) For Fiscal Year ending 2007 \$6.7MM was spent for Professional and Technical Services. For those vendors who provided such services to Board and/or Staff that could possibly have affected either Board or Community decisions on policy issues, or issues related to strategic initiatives that directly involved or affected ICANN stakeholders please provide: (i) the Identity of the vendor and the services provided; (ii) any known relationship between the vendor and any one of ICANN Staff; and (iii) any known relationship between the vendor and any member of the ICANN Board.
- a) Our request for this information is consistent with: (i) the sections of the AOI and Bylaws as noted in 2)a) above; and (ii) the fact that a growing share of this expense is for outsourced research, studies, and consulting to inform Board and Staff on policy and strategic initiatives that directly involve or affect ICANN stakeholders. Visibility into the selection and vetting process for vendors providing these services is necessary to fully garner institutional confidence in ICANN. The Board should also consider other steps to ensure ongoing transparency into these costs. For example, the Board should require and the Staff should post a Statement of Interest from any such vendor to ensure that there are no pre-existing commercial or personal relationships with key individuals on ICANN's Staff or Board that are involved in the selection process.
- b) In addition, for any such relationships identified in either (ii) or (iii) of 8) please explain the involvement, if any, of the identified Staff and/or Board members in the selection process for the identified vendor.
- 9) Please provide the same information and details as described in 8) for Professional and Technical Services for Fiscal Years ending 30 June 2008 and 30 June 2009

Thank you and we look forward to your response.

Sincerely,
GoDaddy.com, Inc.



Tim Ruiz
Vice President
Corporate Development & Policy

cc: Paul Twomey, President and CEO, ICANN
Doug Brent, COO, ICANN
Kevin Wilson, CFO, ICANN
John Jeffrey, General Counsel, ICANN