



# FREEDOM ALLIANCE

March 18, 2010

Dear Friends of Freedom Alliance:

This week, false and malicious allegations about Freedom Alliance were posted on the Internet and we want to address them with you. We don't know the motivation for these vicious smears, but we will not allow them to go unanswered.

First, we want to thank you for your support and assure you that Freedom Alliance's record of financial stewardship and programmatic achievements not only meets, but exceeds standards of program efficiency set by most charity evaluators. We are extraordinarily proud of our work at Freedom Alliance and stand by our efforts 100 percent.

## False Accusations

1. The blog posting accuses our friend Sean Hannity of personally benefiting from Freedom Alliance. This is FALSE. Freedom Alliance has never provided planes, hotels, cars, limos, or anything else to Sean. Sean gets nothing from Freedom Alliance except our gratitude for his personal generosity and for all he has done to help the troops and our organization. We have never had to ask Sean for anything, he always generously offers his help before we have a chance to ask him. But to be clear Sean pays for all his own transportation, hotels, and all related expenses for himself and his family and friends and staff, which over the years has added up to tens of thousands of dollars. He does not use any Freedom Alliance Funds or Concert funds in any way, period.
2. Sean Hannity has contributed \$100,000 to the Wounded Warriors Foundation, over \$200,000 to the Freedom Alliance, and over tens of thousands of dollars to other military charities and individuals. We only make this information public because of the outrageous slander against him. Sean has no management or operational involvement in, or control over, Freedom Alliance. He has been a selfless patriot in his efforts to raise funds for the education of children of armed services personnel.
3. The blog posting accuses Freedom Alliance of spending less than 20% of money raised on program activities. This is FALSE. Listed below are the amounts that Freedom Alliance spent for each of the past three years and the categories on which they were spent. The figures are taken from our Federal Form 990 which is filed with the Internal Revenue Service and posted on our web site and audited by an independent auditor using Generally Accepted Accounting Principles. This financial record not only meets, but exceeds standards of program efficiency set by most charity evaluators.
4. In 2008, Freedom Alliance spent a total of \$6,745,717. Of that:
  - 79 percent (\$5,317,970) was spent on Program Activities
  - 14 percent (\$945,950) was spent on Fundraising
  - 7 percent (\$481,797) was spent on Management

In 2007, Freedom Alliance spent a total of \$7,461,350. Of that:

- 81.5 percent (\$6,084,474) was spent on Program Activities
- 13.5 percent (\$1,011,501) was spent on Fundraising
- 5 percent (\$365,375) was spent on Management

In 2006, Freedom Alliance spent a total of \$7,064,839. Of that:

- 77 percent (\$5,434,538) was spent on Program Activities
- 18.5 percent (\$1,308,414) was spent on Fundraising
- 4.5 percent (\$321,887) was spent on Management

5. The blog posting accuses Freedom Alliance of spending money intended for student scholarships on other expenses. This is FALSE. Freedom Alliance has distributed \$3.4 million in Scholarships and created a Scholarship Trust Fund with the additional money that we have raised for that program. That fund now contains \$15 million, over \$10 million of which has been raised by Hannity and the concerts. Our scholarship program is managed with the understanding that it will be needed for at least the next 20 years as there are children who will ultimately receive a scholarship who are now only a few years old. As indicated on our Federal Form 990, these funds are restricted and used only for future scholarships.
6. Our Scholarship Fund is one of four programs operated by Freedom Alliance. Supporters may donate to a specific program or for general operating purposes. In 2008, Freedom Alliance received \$2.1 million in scholarship donations. The same year, we awarded \$802,250 in scholarships and applied \$1.3 million to our Scholarship Trust Fund. The funds donated by Sean Hannity directly -- or through the proceeds of the Freedom Concerts -- and the support of thousands of Americans are used for these purposes:
  - **Freedom Alliance Scholarship Fund:** Providing scholarships to those whose parents have been killed or severely injured in their service to our Country. There is now over \$15 million in the scholarship fund for the students as they come of age.
  - **Support our Troops:** Many events each year are planned and executed by our staff to show appreciation and provide special opportunities for those actively serving in the military.
  - **Leadership Academy:** A program for high school students in which they are encouraged and trained to serve their country.

These programs would not be possible without the support of Mr. Hannity and many others.

We are proud of our work and numerous accomplishments. We are grateful to our supporters whose voluntary contributions make it possible and we thank you. While it is discouraging to have our record misrepresented in such a malicious way, our work is important and, with your support, it will continue.

Respectfully,



Thomas P. Kilgannon  
President



Oliver L. North  
Founder & Honorary Chairman