



# NRA's Wayne LaPierre Announces Resignation As New York AG Letitia James' Lawsuit Begins

Just two days before New York Attorney General Letitia James' lawsuit against the NRA (National Rifle Association) was set to begin, its top official, CEO and Executive Vice President Wayne LaPierre, resigned.

He claimed "health reasons." One suspects heartburn instead over just how James' lawsuit might turn out.

She claims in her <u>169-page lawsuit</u> that was filed in August 2020 (after 18 months of investigation) that LaPierre and some of his closest associates at the top of the NRA have been involved in self-dealing for years:

For nearly three decades, Wayne LaPierre has served as the chief executive officer of the NRA and has exploited the organization for his financial benefit, and the benefit of a close circle of NRA staff, board members, and vendors.

Contrary to his statutory duties of care, loyalty and obedience to the mission of the charity, LaPierre has undertaken a series of actions to consolidate his position; to exploit that position for his personal benefit and that of his family; to continue, by use of a secret "poison pill contract," his employment even after removal and ensuring NRA income for life; and to intimidate, punish, and expel anyone at a senior level who raised concerns about his conduct.

The effect has been to divert millions of dollars away from the charitable mission, imposing substantial reductions in its expenditures for core program services, including gun safety, education, training, member



AP Images Wayne LaPierre



services and public affairs.

Naming LaPierre, Wilson Phillips, Joshua Powell, and John Frazer as co-defendants, James expanded:

With the assistance of Phillips, Powell and Frazer, LaPierre abused his position as a fiduciary to the NRA to obtain millions of dollars in personal benefits in the form of undisclosed, excessive compensation, which includes in-kind benefits and reimbursements from the NRA and its vendors.

## For example,

- a. LaPierre has spent millions of dollars of the NRA's charitable assets for private plane trips for himself and his family, including trips for his family when he was not present.
- b. In the last five years, LaPierre and his family have visited the Bahamas by private air charter on at least eight occasions, at a cost of more than \$500,000 to the NRA.

On many of those trips, LaPierre and his family were gifted the use of a 107-foot yacht owned by an NRA vendor.

c. LaPierre received hundreds of thousands of dollars in gifts from another NRA vendor in the form of complimentary safaris in Africa and other world-wide locations for himself and his spouse.

LaPierre, with the aid of Phillips, Powell and Frazer, procured personal financial benefits for board members, vendors and even former employees.

In doing so, they violated NRA policy on contracting and business ethics, as well as legal mandates on conflicts of interest, related party transactions, and prohibitions on ex gratia payments.

James sought a court ruling that the violations were so egregious that "the NRA is liable to be dissolved."

In March 2022, New York Supreme Court Justice Joel Cohen ruled against James' demand that the NRA be dissolved and allowed the lawsuit to move forward.

That lawsuit finally came to trial today in New York, and is expected to last six weeks.

It all began when two left-wing media, the *New Yorker* and *The Trace*, published a number of leaked documents in 2019 outlining just how LaPierre and others used NRA funds to enrich themselves. It didn't take James long to investigate the claims, and she filed suit in August 2020.

After all, it allowed her to keep one of her promises from her 2018 campaign for AG: "The NRA is an organ of deadly propaganda masquerading as a charity for public good. Its agenda is set by gun-makers who think arming teachers is a better idea that making it harder for kids to get military grade guns."

In an interview with *Ebony* magazine, she expanded on her hatred for the NRA with this vitriol: "The NRA holds (itself) out as a charitable organization but in fact (it) really (is) a terrorist organization." She also called the NRA a "criminal enterprise," and declared that, if elected, an investigation into the organization would be her "top issue."

As part of NRA's defense, the group filed suit claiming that James was prejudiced against the NRA and



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should recuse herself. That lawsuit went nowhere.

In other moves, attorneys for the NRA attempted to declare bankruptcy in New York and move its headquarters from New York to Texas, out of reach of James' tentacles. Both efforts failed, and the trial is underway as this is being written.

When James learned that LaPierre had announced his plan to resign effective January 31, she issued a press release:

While the end of the Wayne LaPierre era is an important victory in our case, our push for accountability continues. LaPierre's resignation validates our claims against him, but it will not insulate him or the NRA from accountability.

All charities in New York state must adhere to the rule of law, and my office will not tolerate gross mismanagement or top executives funneling millions into their own pockets. Our case will move ahead, and we look forward to proving the facts in court.

The strategy of the NRA's lawyers defending the four NRA officials is, according to Stephen Gutkowski, writing at The Reload, "to admit to a fraction of the wrongdoing it and its leaders have been accused of, but counter that reforms have been implemented and the worst offenders have been let go."

That may be the real reason for the last-minute resignation by LaPierre, rather than for "health reasons."

It could get ugly for the NRA, said Sean Delany, a Westchester attorney who led the Charities Bureau of the New York attorney general's office in the late 1990s: "[G]iven the amount of wrongdoing alleged in the complaint, which draws a picture of a cesspool of fraud, it's hard to believe that the attorney general won't be able to prevail if she can prove even a fraction of those allegations."

If James prevails, the departure of members and their dues will likely continue and accelerate. The last five years have been "a disaster," wrote Gutkowski. "It has lost over a million members, revenue has fallen by more than half, and spending on political efforts as well as member services has been [sharply curtailed]."





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