VIETNAM VETERANS MEMORIAL FUND

March 28, 1984

Chuck Allen
National Vietnam Veterans Review
2722 Fort Bragg Road
Fayetteville, NC 28303

Dear Mr. Allen:

As we agreed to last week, your publication will run our response to the Dan Cragg article on the VVMF. I have enclosed the response and appreciate your willingness to place it in your April edition.

Chuck, I was very disappointed that this type of article appeared in NVVR. The inaccuracies published by NVVR in the Cragg article were damaging to VVMF and to all Vietnam veterans. In my view, the article reflects the ugly, vindictive nature of the relentless attacks on a project that has done a great deal for Vietnam veterans. The choice of cartoons for that article is more than a bit distasteful, by the way.

I have attached some articles that I hope you will read. These articles will give you an idea of the good that the Vietnam Veterans Memorial has done. In the future, I hope to see NVVR give the Memorial a fair shake.

Sincerely yours,

Jan C. Scruggs
President

JCS/caj

Setting the Record Straight

By Jan C. Scruggs

The National Vietnam Veterans Memorial has at long last helped to welcome home those of us who served in the difficult period of the Vietnam War. We have all waited much too long for this to occur.

Each day the Vietnam Veterans Memorial is visited by thousands of Americans. The Memorial which honors our service and which displays the name of every American who died in Vietnam has helped both veterans and the nation to recover from the war. It is not a memorial built in our honor by a thankful government, but rather a memorial built through the efforts of Vietnam veterans themselves. As a result, it is all the more special to the veterans community. It is now among the most visited sites in Washington, D.C.

Ever since the idea for a memorial came to me in 1979, there has been significant disagreement and haggling on subjects ranging from whether there should be a memorial at all to what type of design should be constructed.

By far the most difficult trial that faced the Memorial project began when a small group of Vietnam veterans, dissatisfied with a design arrived at through a fair and open competition, attempted to impose their will on others by stopping the memorial from being built.

Their tactics were most unfortunate reminding many of us of the days of "Senator Joe McCarthy". Among other things, at least one of the critics circulated documents to the White House, the Veterans Administration and the Interior Department claiming that there had been communist party involvement in the design selection process. The group enlisted the help of several U.S. Congressmen and former Interior Secretary James Watt in order to stop the project from going forward. They fought an all out battle to frustrate VVMF's plans. In our view, they did not fight in an honorable way.

Tom Carhart, James Webb, Milton Copulus and a few other veterans certainly had a right as citizens and vetearns to speak out against the design. But when, for example Webb's opposition in 1981 cost VVMF $16,000, he went a bit too far in our opinion. Similarly, when a few veterans tried to halt the groundbreaking ceremony, the dedication and even the National Salute to Vietnam Veterans, they overstepped in our view the bound of propriety. These efforts to us smacked of arrogance and self-importance in suggesting that this small group of individuals knew better than anyone else how the job should be done.

We tried to satisfy this small group of critics with the committment to add a magnificant statue that will cost well over four hundred thousand dollars, but that was to little avail. Something else seems to motivate them to continue their assault against their fellow veterans. In our view, it is likely a mixture of jealousy, and desire for revenge due to their distaste for the design. Perhaps they are motivated by the fact that we have suceeded where other have failed. Could it be that they resent VVMF's success in honoring Vietnam veterans?

This brings us to the outrageous hatchet job done on the Memorial by "Investigative Reporter" Carlton Sherwood last November which was defended in the biased, article by Dan Cragg in the February NVVR. We contend that Sherwood grossly misrepresented the financial affairs of VVMF in his series.

There is no place in legitimate journalism for half-truth, deception, distortion and innuendo. These words, in our view, however, best describe the Sherwood assault on VVMF and Dan Cragg's article. It is quite obvious that Cragg and Sherwood do not like the memorial and those who got the job done. They have every right to their opinion. But they have no right to spread falsehoods about the Memorial and to impug maliciously the integrity of those who built it.

Sherwood's handling of the series is actionable. His presentation is consistent with the warnings that we gave WDVM about Sherwood's biases. In our opinion, it demonstrates actual malice, both in the legal and in the personal sense.

The following is a brief analysis of the series aired by Carlton Sherwood and featuring VVMF's old design adversaries, including Tom Carhart, Milt Copulus, John Fales, H. Ross Perot, Sherwood himself and author James Webb, whom Sherwood neglected to identify to the television audience as long time opponents of VVMF.

1. The Sherwood series failed to disclose VVMF's extensive and favorable audits. I gave Sherwood copies of our annual audits and explained the extensive auditing VVMF has done. Sherwood, however, did not report the auditing measures that we had taken nor did he tell the viewers that we provided him with the audits. He painted a false picture of an organization which had no financial controls and no accountability when, in fact, VVMF had undergone successfully the most rigourous of audits.

In order to set the record straight, the following is a list of the audits performed upon VVMF's books and records:

-- Peat, Marwick, Mitchell & Co. audit as of March 31, 1980

-- Peat, Marwick, Mitchell & Co. audit as of March 31, 1981

-- Peat, Marwick, Mitchell & Co. audit as of March 31, 1982

-- Peat, Marwick, Mitchell & Co. audit as of March 31, 1983

-- Peat, Marwick, Mitchell & Co. audit of VVMF's accounting procedures, dated September 10, 1982

-- Peat, Marwick, Mitchell & Co. review of VVMF's disbursements of over $500 dated November 2, 1982

-- Peat, Marwick, Mitchell & Co. review of VVMF's disbursements in any amount to officers, directors and employees of VVMF dated November 2, 1982

-- Peat, Marwick, Mitchell & Co. evaluation of VVMF's system of internal auditing controls, dated November 2, 1982

-- IRS audit of VVMF's activities and financial records for 1980, 1981 and 1982, concluding with the issuance of a letter dated February 4, 1983, accepting all tax returns as filed and continuing VVMF's tax exempt status

-- Internal audit to insure against conflicts of interest, completed April 28, 1983

-- Certification by each officer and director that the disbursement schedules identified above contain no improper, ———— ?

2. Sherwood falsely asserted that construction at the Memorial is complete. Sherwood apparently wanted the viewers to believe that the Vietnam Veterans Memorial was completed in November 1982, and that any money in the banks was surplus. In fact, construction was at the time of the Sherwood series is still ongoing at the memorial at VVMF's expense. I told him this during the interview and even showed him a chart listing ongoing construction activities, but he chose to ignore these facts. Contrary to Sherwood's assertion, the memorial will not be completed until the installation of the statue later this year.

3. Sherwood Intentionally and Wrongfully Suggested VVMF Could Not Account For Six Million Dollars. Sherwood caused great harm to VVMF's reputation by suggesting that VVMF could not account for six million dollars in receipts. In fact, Sherwood had copies of VVMF's audit reports and knew that every dollar VVMF had collected was accounted for. If Sherwood had been interested in reporting the truth, he could have used the audit reports to obtain a detailed breakdown of expenditures. It is apparent to us, however, that Sherwood did not want the public to know the truth.

4. Sherwood Deceived the Public by Claiming Repeatedly that the Memorial's Cost was 2.6 Million Dollars. Sherwood wanted the viewer to believe that only a small percentage of the funds collected by VVMF were actually used to build the Memorial. This is false.

Sherwood knew that the final cost of the memorial was not available since construction was ongoing and bids were still being received. VVMF's current estimate for the Memorial's cost already exceeds four million dollars and will likely approach four and one half million dollars.

5. Sherwood Misrepresented the Facts Regarding the VVMF's Independent Audit Committee. An Independent Audit Committee composed of prominent corporate leaders was assembled and allowed to review VVMF's financial records. Additionally, the Committee dealt with and rejected H. Ross Perot's demands for another audit of VVMF after determining that adequate auditing had been accomplished. Sherwood incorrectly reported that the committee had never met and never reviewed financial data.

6. Sherwood Misled the Public Regarding the Better Business Bureau. Contrary to Sherwood's report, the VVMF is in full compliance with Better Business Bureau Standards. Dan Cragg's article devoted considerable space misleading readers into thinking VVMF's not in compliance. If Cragg were responsible, he simply would have called the BBB and learned the truth.

7. Sherwood Dissembled when he claimed VVMF Had Broken a Promise to Tom Lyons. Tom Lyons led a drive to erect a South Boston Memorial. The black granite memorial was dedicated in 1981. James Webb spoke at the dedication ceremony. After his visit Tom Lyons joined with Carhart and Webb in denouncing the design. Prior to Webb's visit to South Boston in 1981, Lyons supported VVMF and wrote the following letter:

> I would like to bring to your attention a project I have started here in South Boston. . . . Our project is nearly two years old now and is almost completed. We are going to erect a memorial in honor of 25 brave men. The cost for the memorial and day of our dedication will be around $23,000 and all of it we have raised on our own. We hope to send to you after our dedication a check for $2,500.00 in honor of our friends. Inside you will find a few things that we have done so far. The article that was in the paper was a great help to our project and we have had a great response from people allover our state. The letter we sent to different people and stores and bars asking for their help. The decals really went over and put us over the top of our goal.

Sherwood was wrong. VVMF broke no promise to Lyons. There was no promise to break, apparent or otherwise. VVMF never promised money to Lyons. In fact, it was just the opposite. Lyons intended to send money to VVMF_

8. Sherwood Misrepresented the Facts Regarding the New Mexico Veitnam Veterans Memorial. An early goal of VVMF was to contribute to the New Mexico Chapel. However, the VVMF's primary goal was to build a national memorial in Washington, D.C. to Vietnam Veterans. Subsequent events led to a modification of VVMF's plans when we found out in Parade magazine, November 4, 1979, that the purpose of the New Mexico Chapel was to honor both American and North Vietnamese casualties. This conflicted with VVMF's goal of honoring American veterans only. Other events thereafter strained the relationship between VVMF and the New Mexico Chapel. Sherwood misrepresented numerous facts regarding this relationship in order to put VVMF in the worst possible light. It was readily apparent to us that his goal was not to report but to cause harm.

9. Sherwood Falsely Stated That VVMF Turned Down A One Million Dollar Gift From The DAV In Order To Avoid An Audit By The DAV. Vietnam Veterans Leadership Employee John Fales appeared on television making this totally false claim and which h as been denied repeatedly by the DAV in meetings with VVMF. When this rumor first began in March 1983, VVMF officials met with the DAV to find the source. National Adjutant Denvel Adams denied ever having made this statement to anyone and denied that the DAV had ever requested an audit of VVMF's financial records.

10. Sherwood Misrepresented Ross Perot's Demand for an Audit. Ross Perot, an early supporter of VVMF, became an outspoken critic of the design and led the effort to modify the Memorial. He even opposed the groundbreaking ceremony. After VVMF refused to cancel the National Salute, Perot demanded to audit VVMF's financial records. At that point VVMF formed an Independent Audit Committee to deal with Perot and to investigate Perot's allegations. Despite the Committee's pledge to investigate Perot never disclosed any allegations to the Committee.

VVMF was highly suspicios of Perot's intentions, particularly after Perot retained counsel and enlised EDA employees to assist in pressing his demands.

11. Sherwood Misrepresented VVMF's Record in Direct Mail Fundraising. Sherwood led the TV audience to believe that VVMF spent a dollar to raise a dollar in direct mail. In fact, our direct mail effort made over one million dollars clear profit.

Furthermore, VVMF overall fundraising costs are less than 26%, which easily meets the Better Business Bureau Standards.

12. Sherwood Falsely Reported That VVMF offered Milton Copulus an open Ended Contract of $50 Per Hour. VVMF never offered Mr. Copulus $50.00 per hour for anything, nor was he ever offered an open ended consulting contract. He and three other individuals agreed to serve on the sculpture panel to select a statue for the Memorial. Because it was anticipated that the time required to do this would likely cause them to take vacation time from their jobs, VVMF offered each member eighty dollars per half day (or approximately $20 per hour) for this limited task.

13. Sherwood Engaged In a Vindictive Personal Attack on John Wheeler. In our view Sherwood followed through on his reported threat to "nail" John Wheeler.

With defamatory innuendo, it appears that Sherwood led the TV viewer to believe that John Wheeler stole government property, resigned from the Army because of it, and is now stealing VVMF assets.

The facts are these: In 1969, shortly after he arrived in Vietnam, Wheeler was reprimanded administratively for using a jeep for official business that was not assigned to his unit's motor pool. Wheeler was unaware that the jeep in question was not attached to his motor pool. Afterwards, his duties and assignment in Vietnam remained

unchanged. His performance in Vietnam was exemplary, and, at the completion of his tour, he was recommended for a sensitive staff assignment at the Pentagon. He resigned from the Army in 1971, after service at the Pentagon. He received an honorable discharge. His resignation had nothing to do with his Vietnam service. In fact, his military superiors urged him to remain in the Army and, upon his departure, he received the Joint Service Commendation Medal. In sum, Jack Wheeler used a "borrowed" Jeep in the war zone. So What?

Cragg appears to dislike cadet sergeants from West Point! Al Haig, Jack Wheeler and Dwight Eisenhower were all cadet sergeants. Cadet Sergeants are tough troopers.

14. Sherwood Failed to Disclose that He and the Key Critics Who Appeared on the Series Are and Have Been Vigorous Critics of the Vietnam Veterans Memorial. Sherwood's series relies heavily on statements made by opponents of the Memorial, including Sherwood himself. But the series withheld from the viewing audience the fact that each of the chief witnesses he assembled to prosecute VVMF had been long-standing, bitter enemies of VVMF.

It is ironic, in light of the fact that these individuals are now criticizing the manner in which VVMF expended funds, that their efforts to modify the Memorial design have cost VVMF and its contributors hundreds of thousands of dollars. These costs include a statue which will exceed four hunderd thousand dollars, an entrance plaza to house the flagpole and sculpture which has already cost over two hundred thousand dollars, and extensive expenses associated with presentations to government - approval agencies.

The Sherwood series in our view was nothing more than a smear campaign. Dan Cragg complains that there has been a "news blackout" of the series. Quite the opposite is true. All of the media people in Washington watched the series. Apparently, no one cared to follow up on it because it was "bush league", unprofessional and obviously biased.

We had heard rumorsof Sherwood's big plans. The series we heard, would cause VVMF to become a national "scandal" and propel Sherwood's career into national prominence. His series backfired on him. He no longer works for WDVM-TV. He now works for The Washington Times.

Reportedly, Sherwood is angry with VVMF. Actually, he should direct his anger at himself, Dan Cragg and others who prodded him into doing what we believe to be a dishonorable "smear campaign".

Throughout the summer of 1983, I was warned about Sherwood by fellow Vietnam veterans, one of whom had been Sherwood's friend for over 11 years. Thanks to these veterans, we learned that Sherwood had no intention of doing a fair story on the Veitnam Veterans Memorial. Fortunately, honorable veterans rallied to help defend the memorial against the ouslaught of an ambitious reporter.

Cragg admits to disliking the Memorial. That is his right. But he should check his facts before writing an article blasting Vietnam veterans who he dislikes. For example, Cragg claims that the IRS did a one day adminstrative audit of VVMF. Cragg is wrong. The IRS reviewed VVMF's finances for over two weeksand gave VVMF a clean report. The IRS came to VVMF with a Summons on the eve of the Dedication ceremony, due, we believe, to false allegations which were likely made by one or more of VVMF's opponents.

Cragg says that VVMF has refused to show the GAO its receipts and disbursement ledgers. Infact, VVMF has, from the very beginning of this audit, allowed the GAO to look at all of our receipts and disbursements, as well as anything else the GAO auditors have asked to see. Where did he get this misinformation and why is he trying to the Memorial a "black eye"?

In my opinion, Sherwood has disgraced himself as a journalist; he has also disgraced his profession. He has created unnecessary and unfair controversy which has hurt the image of all Vietnam vets. He should be ashamed of what he has done. Next time, he should check his facts and so should Dan Cragg.

Caption

Vietnam Veterans Parade

At the National Salute to Vietnam Veterans, VVMF organized the now historic parade which is shown above. As part of a smear campaign against VVMF, T.V. Reporter Carlton Sherwood criticized the expenses for the parade. Thanks in part to reporter Carlton Sherwood, there will be no parade this year when the statue is installed.