

Mr. HAYES. Correct.

Mr. PATMAN. To whom does the ABC applicant make his first check payable?

Mr. HAYES. To his sponsor.

Mr. PATMAN. To his sponsor?

Mr. HAYES. Correct.

Mr. PATMAN. After the sponsor foundation receives the applicant's check, what does the sponsor foundation do with the check? Is the check deposited in the sponsor foundation's account?

Mr. HAYES. Yes; that would probably be correct.

Mr. PATMAN. To whom does the sponsor foundation transmit the money paid by the applicant?

Mr. HAYES. He must transfer it to ABC.

Mr. PATMAN. ABC; to whom is the cosponsor—no, not cosponsor—to whom is the sponsor foundation's check made out?

Mr. HAYES. It would be made out to ABC.

Mr. PATMAN. It is made out to the ABC trustees or just ABC? It would have to be the trustees, I assume?

Mr. HAYES. No; it would be ABC.

Mr. PATMAN. The sponsor foundation sends the applicant's money to ABC immediately; is that correct?

Mr. HAYES. In most cases that is correct.

Mr. PATMAN. In other words, the sponsor foundation does not wait until ABC informs it whether or not the applicant has been approved. It goes ahead and sends a check in?

Mr. HAYES. Yes; that is correct.

Mr. PATMAN. In other words, an application for membership is accompanied by a check from the sponsor foundation?

Mr. HAYES. Correct.

Mr. PATMAN. Why doesn't the sponsor foundation transmit the applicant's check to ABC?

Mr. HAYES. Why doesn't it?

Mr. PATMAN. Yes.

Mr. HAYES. Would you restate that question, please?

Mr. PATMAN. Yes. In other words, the sponsor foundation does not wait until ABC informs it whether or not the applicant has been approved. In other words, an application for membership is accompanied by a check from the sponsor foundation. Those have been answered.

Then my question is why doesn't the sponsor foundation transmit the applicant's check to ABC instead of putting it into his account?

Mr. HAYES. Might I inquire as to the purpose of this question, Mr. Chairman?

Mr. PATMAN. Yes. The purpose is to find out the information that we are seeking as to how you operate, whether it is legal or illegal; whether or not your operations are in the public interest or against the public interest; whether or not you are violating laws, and if so, what should be done about it; and whether or not Congress should pass laws or whether or not present laws are sufficient. There are many questions that come up. A lot of people are convinced that, if your operations are legal, then the laws have got to be changed very quickly or we won't have any government in the United States of America.

Mr. HAYES. Well, the check must go to someone who is a qualified—or some foundation, I should say, which is a qualified, not-for-profit organization.