

30 March 2018

RE: Response to Request for Answers to Outstanding ICANN IRS Form 990 Questions

John Poole  
Via electronic mail

Dear John Poole,

Thank you for your submission regarding unanswered questions you asked of the ICANN org about the IRS Form-990 it filed for fiscal year 2016. I appreciate you bringing this to the attention of the ICANN org (all subsequent uses of "ICANN" refer to the ICANN organization). I've researched this issue with various departments inside ICANN and worked with the Finance team to provide you with this response.

In your submission (see: <https://www.icann.org/en/system/files/files/complaint-c-2018-00003-redacted-22feb18-en.pdf>), you request the following:

1. "I want Xavier to answer the question.
2. I want to know why Brad White misdirected the question to Goran Marby.
3. I want to know why ICANN is obviously unable to be transparent and accountable in this whole matter."

**Background:**

This request follows several correspondence items exchanged between yourself and ICANN's Chief Financial Officer, Xavier Calvez, between June and October 2017 regarding the ICANN org's fiscal year 2016 IRS Form 990. Links to the published correspondence items are:

- ⦿ 28 May 2017 - John Poole initial correspondence:  
<https://www.icann.org/en/system/files/correspondence/poole-to-icann-controller-28may17-en.pdf>
- ⦿ 13 July 2017 - Xavier Calvez initial response:  
<https://www.icann.org/en/system/files/correspondence/calvez-to-poole-13jul17-en.pdf>
- ⦿ 31 July 2017 - John Poole follow up correspondence #1:  
<https://www.icann.org/en/system/files/correspondence/poole-to-calvez-17jul17-en.pdf>
- ⦿ 9 October 2017 - Xavier Calvez follow up response #1:  
<https://www.icann.org/en/system/files/correspondence/calvez-to-poole-09oct17-en.pdf>
- ⦿ 13 October 2017 - John Poole follow up correspondence #2:  
<https://www.icann.org/en/system/files/correspondence/poole-to-calvez-13oct17-en.pdf>
- ⦿ To view ICANN's full correspondence page:  
<https://www.icann.org/resources/pages/correspondence>

In addition to the above published correspondence, on 6 December 2017 you received a follow up email from Xavier Calvez advising that follow up response #2 was taking longer than ideal and advising that ICANN was attempting to respond to you by 22 December 2017. By 22 February 2018, you had not received the expected response, raised your outstanding questions during ICANN's Quarterly Stakeholder Call, and subsequently filed this complaint.

### **Research Findings:**

Following my research and internal discussions, I found the below information regarding each of the three requested items.

Regarding requested item #1:

In 2017, ICANN implemented improvements to its process for managing correspondence. Under the [improved process](#), ICANN endeavors to respond to all correspondence within 30 days. However, while your correspondence was handled according to the improved process, the responses you received did not meet the intended timing. While delays do occur from time-to-time, the length of time ICANN took to provide you with responses was much longer than planned.

The delays you experienced were caused by the availability of both internal and external resources. The Form 990 is for organizations that are exempt from income tax to report their activities to the IRS each year. While ICANN was confident in its intended response, it also felt it prudent to a) reexamine the IRS rules and instructions for completing its Form 990 and b) to seek an expert opinion from its third-party accounting consultancy firm. Unfortunately, ICANN's internal subject matter experts had competing priorities at the time, which slowed down their ability to reexamine the IRS rules, and then delayed their ability to seek assistance from our external accounting consultancy firm.

Regarding requested item #2:

ICANN has an established process for receiving and fielding questions during its Quarterly Stakeholder Calls. As questions are received, the executive team and Q&A process managers decide who is best qualified and positioned to answer a given question.

Regarding requested item #3:

The mission of ICANN is to ensure the stable and secure operation of the Internet's unique identifier systems as described in [Section 1.1\(a\)](#) of the ICANN Bylaws. In carrying out its Mission, ICANN shall be accountable to the community for operating in accordance with the [Articles of Incorporation](#) and the [Bylaws](#). Under its Bylaws, ICANN and its constituent bodies shall operate to the maximum extent feasible in an open and transparent manner and consistent with procedures designed to ensure fairness. ICANN takes this responsibility seriously and has many processes and procedures in place to ensure it meets its Bylaws mandated accountability and transparency requirements. In addition to its Bylaws mandated accountability and transparency requirements, the ICANN org has also instituted operational mechanisms, such as the Complaints Office, to provide increased visibility and demonstrate its responsibility for the work it delivers.

### **ICANN's Response:**

ICANN apologizes for the amount of time it has taken to respond to your initial and follow up questions regarding its fiscal year 2016 IRS Form 990.

Regarding requested item #1:

As you know, a response was provided to you from Xavier Calvez on 23 March and published on 27 March 2018. See: <https://www.icann.org/en/system/files/correspondence/calvez-to-poole-23mar18-en.pdf>. Hopefully his response addresses the remaining open questions you have regarding ICANN's fiscal year 2016 IRS Form 990.

Your request under this item was for Xavier Calvez to provide you with a response to your outstanding questions, which you've received. However, I wanted to also address the length of time it took for you to receive responses. The reason for the delay was: 1) ICANN needed reexamine the IRS rules to ensure we weren't missing anything, 2) ICANN had internal resource constraints, and 3) ICANN needed to have its outside accounting consultancy firm examine and provide advice regarding the IRS rules for completing Form 990. While these are legitimate circumstances that occur from time-to-time within organizations, ICANN did not provide you with sufficient updates on the progress of its responses. As mentioned, ICANN endeavors to respond to all correspondence within 30 days; in cases where this will not be possible, ICANN will review ways of ensuring the sender of a letter is kept up-to-date on the progress of ICANN's response.

Regarding requested item #2:

The explanation for why Brad White directed your question to Göran Marby is that as ICANN's CEO, Göran Marby made the decision to answer your question because he is the highest-ranking person in the ICANN org and is ultimately responsible for all managerial decisions.

Regarding requested item #3:

In my research I did not find any information indicating ICANN was deliberately not answering your questions. While ICANN's response was delayed, and while ICANN believed it knew the answer to your questions -- ICANN also wanted to ensure it wasn't misinformed or misreporting data on its 990 or in its responses to you. As noted above, ICANN takes its accountability and transparency commitments, Bylaws mandated or otherwise, seriously. I encourage you to continue bringing any concerns you have regarding the ICANN org, its commitments, Bylaws, processes, etc. to the attention of the appropriate department(s).

As provided above, I believe I've addressed the three requests contained in your complaint. ICANN appreciates you taking the time to bring this information to our attention and takes responsibility for the delays in responding to your correspondence. We are committed to always working to increase our effectiveness and to provide additional transparency and accountability, all in service of ICANN's mission. Your willingness to submit this information helps us to achieve these commitments.

I appreciate your continued participation in ICANN, your contributions to helping us work towards being our very best, and the opportunity to provide you with this information.

Kind regards,

Krista Papac  
Complaints Officer  
ICANN