



WORLD SERVICE OFFICE, Inc. NARCOTICS ANONYMOUS

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January 1985

REPORT TO THE FELLOWSHIP

The year 1984 was one of unparalleled growth for the World Service Office. We have expanded in every way to provide the services to the Fellowship that are required or asked of us. The growth in the office has been representative of the growth in the Fellowship and in direct response to needs of the Fellowship.

During the past twelve months the office received new group registrations for over 1,500 new meetings. Information on these was published in four World Directory updates along with information on about 200 meetings that closed and information that changed concerning other meetings. This increase of 1,500 new meetings, when including the adjustment for the 200 closed meetings, moved the number of Narcotics Anonymous meetings from 2,200 (in January 1984) to over 3,700 active meetings at the end of December 1984.

The recording of meeting information, correcting existing data, adding new information, responding to requests for general information about N.A., sending starter kits and communicating to new groups became a full time job for one employee. This work had been done by one employee on a part time work assignment.

The financial operation of the office took a quantum jump during the past twelve months. This increase has many causes, including greater efficiency of the office, an expansion of the number of hospitals and treatment centers using our material and simply a greater number of sales to members, groups, areas and regions. Although the 1984 year-end financial statement has not been prepared by the Certified Public Accountant, the preliminary figures reflect an increase in gross income from \$329,000 (reported as the year end figure for 1983) to over \$800,000. Statistics maintained by the staff reveal that over 55% of all sales were to non-Fellowship purchasers. This is an increase in direct sales outside the Fellowship over the previous year.

This increase in shipping of approved literature necessitated increasing the number of employees in the accounting/shipping department from three to four.

The office expanded the distribution of the NEWSLINE, although there have been continuing scheduling delays (the NEWSLINE is important, but not the highest priority item for the staff to work on). The office now sends over 3,400 copies of

each issue. The volume of information in the NEWSLINE increased substantially when the Conference officers and committee chairpersons began to utilize this as their primary communications tool to reach the Fellowship.

By including much of the WSC information in the NEWSLINE, there has been less disruption in office routine in getting WSC information to the Fellowship than was experienced when the bulky Fellowship Reports were made quarterly. The Fellowship Report which includes this letter is a good example; the total report has consumed over 150 hours of staff time in a two week period, in the typing and changing required to report exactly what the different committees and service arms chose to say.

The office has continued to provide increasing secretarial support to the Conference and Conference committees. Several committees, Public Information, Literature and Hospitals and Institutions, for example, have substantially benefited from this increased staff time availability. Some of the work contained in this Report might not have been accomplished by the deadline, and would not be available for Fellowship consideration, had the WSO staff not been utilized for clerical and administrative support.

This increased assistance to the Conference has resulted in an increase in the number of employees assigned to provide this service.

The Office undertook to fulfill the responsibility assigned at the April 1984 meeting of the Conference for the production of the N.A. Way Magazine. The first issue produced by the WSO was the June publication. It may not have been the best looking issue and it was late, but each subsequent issue improved in quality and scheduling. The billing for the magazine had become entangled in the transitional fears that WSC might not have continued the magazine, so there was considerable work to be done to settle the subscriptions on an individual basis. Billing notices were sent, along with second and third notices in order to accommodate renewals from those interested, and in December a special sales offer was made for new subscriptions. The adjusted total of subscribers as of December 31, 1984 was 1,004 paid readers. And the number of new subscribers continues at a tremendous rate even though the December sales promotion is over.

The WSO did conduct a Fellowship wide search to find an Editor for the magazine as specified in the policy adopted for the magazine at the 1984 WSC. We were fortunate to have found and employed Ron H. from North Dakota for this position. He began serving as Editor while still in North Dakota while he finished the remaining months required by his college work. He recently moved to the Los Angeles area and is doing a terrific job as Editor.

In the course of his service as Editor, he has worked with the Review Panel and Associate Editors as prescribed in the adopted policy. There has however, evolved a difficulty with the specific language of the approved policy and he has recommended

change in the policy in order to improve the magazine quality. The Board of Directors studied his proposal and approved it for submission to the Fellowship for consideration and possible adoption at the Conference when it meets this April. It is attached to this report as addendum #1.

Although the number of subscribers at this time will not generate enough income to pay for the direct magazine expenses (printing, postage and labor), the rate of increase indicates the break-even point may be reached during 1985.

The printing and distribution duties of the office, our primary responsibility, has been fraught with perplexing problems all year. Scheduling the periodic re-orders for the Second Edition of the Text and estimating when the Third Edition would be available were not precisely matched. Having the Third Edition include new stories, which necessitated new type setting, proof reading and review presented more problems. These issues were discussed in the NEWSLINE, and each of the other service arms were consulted in the development of a unanimous resolution to the problems before printing took place. It has been gratifying to experience the unity involved in the production of this Edition of the Text when compared to the difficulties experienced with the First Edition.

The financial outlay for printing of the Third Edition demonstrates the need and result of the increase in gross income mentioned above. The office, as of the date of this report had to expend over \$95,000 in direct payments to the printer to make the Third Edition Texts available.

The office embarked on a project to produce translations of all of the approved literature during the past year. An effort was first made to utilize members of the Fellowship as volunteers from the countries where translations were needed and would be used. This proved to be agonizingly slow and inefficient. Eventually it was decided to find university instructors in the Los Angeles area to prepare the draft translations. Translations were made of the White Booklet and five pamphlets into French, German and Italian, and a start was made on the Portuguese translation. The Spanish translations were expanded, and now include not only the White Booklet and the Number One IP, but other IP's as well. We did not anticipate any problems, so the translations were typeset, readied for printing and notice provided on the order form. Unfortunately a major problem did arise at this point.

Draft copies of these translated materials were sent to Fellowship members in countries where the items would be used. In each case the response was to disagree with some of the words used in the translations to describe or relate the message from the original English version. This, although understandable, was unexpected. The Trustees have been asked to become involved with the translation issue and work with the staff and translators to resolve the disagreements over the use of non-English words to

describe language of approved literature. The distribution of non-English literature has been suspended until the issues are carefully reviewed and all parties satisfied that the approved language is correctly translated.

The translation problem resulted in the development of a proposed policy for non-English language materials which is enclosed for Fellowship approval. This is presented as Addendum #2.

Concerning another inventory item, there has been considerable discussion about the development and use of metal medallions to commemorate clean time. Responding to the motion adopted by the Conference last spring, the office did receive a number of suggested designs. They were reviewed and the most attractive designs are included in Addendum #3 for review. Only one design should be approved by the Fellowship, as having more than one design would substantially increase the inventory cost and complicate the ordering process.

The office initiated a speaker tape review and approval process in the last few months. The process has not, as of this date, resulted in the inclusion of tapes to the inventory, but that is expected in the near future. The Board originally intended to have this policy adopted by the Fellowship at the Conference by including the specific policy language in this report. However, because the policy has not yet proven to be workable or efficient, we decided to wait until next year in order to determine if the policy proposed is actually the most logical and practical solution.

The WSO Board of Directors has operated efficiently during the past year. The meetings are usually four or five hours in length and work from printed agendas. All of the major issues considered and adopted by the Board have been presented to the Board in writing in advance of the meeting. In this way, full understanding and analysis of important matters can be accommodated without rushed action by the Board. There has been some confusion concerning election of members to the Board of Directors. This resulted from the changes in the by-laws since 1982, which have not matched action by the Conference. In reviewing the by-laws, the Board decided to make two changes, only one of which requires action by the Fellowship. That item is explained as Addendum #4 and each voting participant should arrive at the Conference prepared to act on the recommendation.

The Conference had instructed the WSO to prepare a report on financial/legal information for Fellowship needs. That report has been under consideration by the Office Manager and the WSO attorney. Enclosed as Addendum #5 is a letter from the attorney discussing these subjects as well as the concerns raised last year over the use of the tax identification numbers assigned by the IRS to the WSO. A more comprehensive report is now being prepared by WSO which will incorporate some of the information from the attorney. It is anticipated that the report will be

announced in the NEWSLINE, and copies can then be obtained by regions, areas, or groups as they find they have a need for it.

In the reports from the WSO Literature Committee Chairperson and the Board of Trustees are brief notations that it is desirable to utilize talented professionals in the finalization of literature. The WSO has been approached to provide funds for this service and the WSO Board has expressed willingness to do so, providing that the WSO Literature Committee and the Trustees exercise responsibility to manage the work and keep the WSO out of the creative end of such relationships. More about this will be available as actions are taken to accomplish this need.

In another project of similar character, the Public Information Committee has requested the WSO provide funds for the production of public service announcements for use on television. The WSO Board has consented to this also, providing that the WSO responsibility is primarily management of the contractual relations rather than decision making on the content. A special committee has been created to manage this project, as reported by the WSO Public Information Committee Chairperson. As this project moves forward, more information will be made available.

From the pages above, in this report from WSO, it is very clear that the WSO is directly related to supporting the activities of the Conference Committees. This working relationship has developed in positive directions with the Conference Committee providing the direction and decision making and the WSO providing the support or assistance that is requested. The WSO Board has endorsed this relationship as it provides the most reasonable and feasible means of helping the Fellowship carry the message of recovery to the still suffering addict. This relationship has broadened the base of fellowship wide decision making to include trusted servants from every geographical sector of the Fellowship.

It is felt by the WSO Board and staff that the days of conflict between the WSO and other elements of the Fellowship have passed. This working together has produced a feeling of harmony and unity that has made this year the most productive year for the world level trusted servants.

The WSO is looking forward to the Conference with positive anticipation and confidence that carrying the message is the common goal and conflicts will be minimal.

In service to the Fellowship

Robert B. Stone
Office Manager

ADDENDUM #1

N.A. WAY MAGAZINE

It is recommended that a change be made in the language on page 45 of the Temporary Working Guide to the Service Structure, paragraph one, line 6 by deleting the words; "errors in an effort to promote continuity without altering the content, flavor and/or style of the article; editorial changes will not include major reorganization or rewriting."

Insert the following words to replace those deleted; "and structural problems in an effort to promote continuity without altering the content or flavor of the article."

This change is desirable because of the actual need for the authority to make revisions that the existing policy prohibits. The proposed change is consistent with intent of a fellowship magazine containing stories of experience, strength and hope which reflect the actual experiences of addicts, while at the same time is a readable, well written publication.

The change would bring the editorial authorities closer to the realities of how similar publications are managed. To a certain degree the difference are semantic while in some ways the difference are a result of the fact that none of the members involved in the creation of the current language had professional journalistic education or experience. A clearer understanding of how the appropriate words are used, and their common meanings will be helpful.

1. Style: A dictionary definition: "A customary manner of presenting printed material, including usage, punctuation, spelling, typography and arrangement" and "the way in which something is said, done, expressed or performed."

The World Service Office is striving for consistency of style through all its publications and communications. This consistency is in keeping with and in conjunction with the style policies adopted and in use by the WSC Literature Committee. This includes specific rules of punctuation and capitalization as well as preferred usage, such as "clean," "recovery," etc. The editor of the N.A. Way should have the latitude to make such stylistic changes to maintain that consistency.

2. Reorganization and rewriting: Much of the input we receive for the N.A. Way carries a substantive message of recovery, but is not written or organized well enough for that message to come across clearly in one reading. While it is important that the substance of the article not be changed by editing, it is equally important that the substance be clear to the

reader. In order to accomplish that, the Managing Editor should be given the latitude to restructure and rewrite such material, using the author's phrasing wherever possible, and adhering to the author's intent and content. In most cases the editor may communicate with the author by phone or mail to discuss those changes. Given that the magazine should have standards of readability and quality, the alternative to allowing such latitude is to print only articles written by skilled writers. Such arbitrary exclusion of everyone else would prevent a large portion of the Fellowship from participating in the magazine and would be unacceptable. The above language changes are proposed to avoid those limitations.

ADDENDUM 2

NON-ENGLISH PRINTING OF LITERATURE AND THE TEXT

WSO has continually been asked about our schedule for translations for all of the literature and especially the Basic Text into a variety of non-English languages. For each of these inquiries, we have responded that a limited translation program is in progress to translate the White Booklet and the pamphlets, but no translations are planned for the Basic Text until the Fellowships using those languages have grown enough to substantially support the costs involved in production of the Text.

If translations of the pamphlets aids in the growth of the Fellowship in those languages, as we suspect it will, then the wait for those Fellowship's to be able to support a substantial costs of the Text will only be a year or two. In anticipation of that growth and the eventual demand (orders with payments) for the Basic Text in non-English languages, it is prudent to develop specific policies relative to the Basic Text in non-English languages that are not applicable to the English language publication.

The following are policy statements that are prudent plans on the part of the Fellowship for translation of N.A. literature.

BASIC TRANSLATION POLICIES

It shall be the policy of the Fellowship of Narcotics Anonymous that all of the approved literature of the Fellowship be made available to addicts the world over. The message of recovery in Narcotics Anonymous must always be contained in literature approved by the World Service Conference of Narcotics Anonymous acting for the group conscience of the Fellowship and produced by the World Service Office.

The basic literature that describes and explains the program of Narcotics Anonymous shall always be written primarily in the English language. Translations of the basic literature of the Narcotics Anonymous Fellowship shall be made under careful scrutiny of the World Service Office and the Board of Trustees.

In order to carry the message of recovery from addiction through Narcotics Anonymous, a phased translation schedule shall be followed. This schedule shall be adopted for the explicit purpose of carrying the message in the hope that no addict with a desire to stop using need die because the message of recovery was not available in a language of there use.

There shall be no direct or literal translation of the second part (Book 2) of the Basic Text from English to other languages.

ADDENDUM #4

AMENDMENT TO THE BY-LAWS OF WORLD SERVICE OFFICE

The by-laws of the WSO currently provide for twelve (12) Directors. Four Directors are elected by the World Service Conference directly, and these Directors serve for a one year period. The Conference elects members to be part of a "pool" of potential Directors from which the Board of Directors selects additional Directors. The Board of Directors, selects four Directors to serve three year terms in two different years and selects no Directors from the pool in the third year.

This presents an unbalanced service period for Directors. Because the language provides for three year terms and four are selected in certain years, there is one year in which no new Directors are required from the pool. A much simpler system would be to have the Conference select by direct election only three members to serve for one year. Have the Board select from the "pool" three directors each year to each serve for three years.

In this manner the number of Directors remains the same (12) and the rotation of Directors is easier to follow. The election of Directors from the "pool" then makes more sense.

Although the Conference does not approve the by-laws of the WSO, the Conference does directly elect four Directors and selects members for the "pool." Accordingly, the Fellowship should be asked to concur with the change in the form of the following motion to be presented at the Conference. Additionally there is no language in conference policy to fill vacancies of Directors that are elected directly by WSC.

Moved, that: At each annual meeting of the World Service Conference, the Conference elect three (3) members to serve on the World Service Board of Directors for a period of one year. In the event of a vacancy created by resignation or removal of a Director elected by the Conference, the member who was fourth highest in the number of votes cast will fill the vacancy.

At each annual meeting of the World Service Conference, the Conference selects three (3) or more members to be added to a selection "pool" of potential members of the Board. The Board of Directors selects three members from the "pool" to become members of the Board for three (3) year terms of office. In the event of vacancies from resignation or removal, the Board may select replacement Directors from the "pool."

Law Offices
ROBERT D. ROSSO
A PROFESSIONAL CORPORATION

December 14, 1984

Robert B. Stone
World Service Office, Inc.
16155 Wyandotte Street
Van Nuys, California 91406

Dear Bob:

This report is prepared as an attachment to the Minutes of the November 3, 1984 meeting of the Board of Directors of World Service Office, Inc. ("WSO"), and is intended to summarize the position I have taken with regard to the IRS matter as presented to the directors at that meeting.

My basic position is that under the facts presented, I see no legal or ethical reason requiring WSO to initiate communication to the Internal Revenue Service for the purpose of "rectifying" the misuse of WSO's Employer Identification Number ("EIN"). Furthermore, I see no useful purpose in asking the IRS for direction on how the fellowship should manage its own financial affairs and report its income. I take these positions for the following reasons:

1. The use of of the E.I.N. by persons other than WSO has not caused the evasion of any state or federal income tax. Accordingly, there is no legal need to contact IRS, nor is there anything that would be accomplished by initiating a dialogue with IRS personnel. My conclusion that inadvertent tax evasion has not occurred is based on two points:

(a) In 100% of the cases of which we have direct knowledge (with one possible exception), the bank accounts for which the E.I.N. was used were non-interest bearing checking accounts. Because of this, no income was generated which would be potentially taxable. You can't have income tax evasion without any income.

(b) Even if any income was generated through these bank accounts and erroneously reported as WSO's, it is very unlikely that any tax would be due thereon. From a profit and loss

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standpoint, WSO has been in essentially a loss position for the past several years. Because of WSO's non-profit status, it has not been necessary to be aggressive from a tax and accounting standpoint. However, assuming that WSO was not non-profit (or that it became subject to tax through a retroactive loss of non-profit status), a reasonably aggressive and entirely supportable position would result in no tax due at all.

Since there has not been an evasion of tax that should have been paid, there is nothing to resolve by communicating with IRS.

2. Even though there is no legal need to contact the IRS, is there still a moral or ethical requirement that would dictate such a communication? This question was posed by the directors, and I feel that the answer is "no". Realizing that the use of the E.I.N. may have been an inadvertent technical violation of some rule or regulation, the key element is intent, or more specifically the absence of intent. According to the information you have provided, the widespread use of the E.I.N. resulted from a good faith mistake by WSO personnel and actions by members of the Fellowship not within the control of WSO. The same ignorance of any potential tax code violation was undoubtedly shared by the various groups of the Fellowship that used the E.I.N. As soon as the mistake was discovered, the improper use was stopped. Thus there has not been a single instance of knowing violation of the law. In light of this, I find nothing in the traditions and policies of the Fellowship that would suggest that any officer or director of WSO, or any other member of the Fellowship, needs to contact the IRS on moral/ethical grounds.

3. It has been suggested that advice should be solicited from the IRS as to how the Fellowship and its various entities should manage and report their financial affairs. My feeling is that a communication to the IRS for this purpose is unnecessary and would prove unfruitful. Although there are procedures for seeking "Technical Advice" from the IRS, they relate only to information concerning specific matters under examination by the IRS, such as an audit of a return, or to the interpretation and application of the tax law to a specific set of facts. I am fairly certain that a generalized request for direction on the manner of tax reporting would not be answered by the IRS.

Moreover, the Service's advice is really not needed for

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this purpose. Between the professional staff of WSO and its tax, financial and legal advisors, any specific questions regarding internal financial organization or tax reporting could be competently answered.

In conclusion, I believe that no legal or ethical reason exists for contacting the IRS about the use of the E.I.N., or for any other matter other than to file the annual reports which are required by law. There is far more to lose through such efforts (if nothing more than the time and effort of WSO's staff and professional fees), and truly nothing to gain. Because of the immediate action of the WSO staff to terminate the misuse of the E.I.N., the subsequent investigation into whether contacting the IRS is necessary, and the basic fact that no tax evasion has occurred, I have no concern for any individual liability (criminal or civil) of WSO's officers and directors. My specific advice is to continue and strengthen the steps taken to insure that misuse of the E.I.N. does not occur again, and then to turn your attention to the ongoing needs and challenges that the Fellowship presents.


Robert D. Rosso

RDR:mal

ACTION PAGE FOR WSO PROPOSALS

Addendum #1: Should the existing language in the Temporary Working Guide to the Service Structure, page 45, line 6 be changed by deleting the following language: "errors in an effort to promote continuity without altering the content, flavor and/or style of the article; editorial changes will not include major reorganization or rewriting." and shall the following be inserted in its place: "and structural problems in an effort to promote continuity without altering the content or flavor of the article."

YES _____ NO _____

Addendum #2: Should the proposed Non-English language printing policies be adopted?

YES _____ NO _____

Addendum #3:

Should any of the following proposed medallions be adopted by the Fellowship?

YES _____ NO _____

If yes, which should be adopted?

Option #1 _____ Option #2 _____
Option #3 _____ Option #4 _____
Option #5 _____

Addendum #4: Should the Conference elect three members directly to the WSO Board each year for one year terms and select members to serve on the "pool" of potential directors for selection as Directors for three to be elected each year for three year terms as proposed by WSO?

YES _____ NO _____