Cracking ACORN

STEALING DEMOCRACY
The far-left ACORN, America’s most notorious activist network, is working to bring about radical change by creating chaos.

by Matthew Vadum

In the parallel universe occupied by many left-of-center Americans, the increasingly controversial Association of Community Organizations for Reform Now (ACORN) is a high-minded poor people’s group similar to crusading civil rights groups of the 1960s. They believe ACORN is a public-spirited organization that registers the poor to vote and encourages citizen involvement in morally uplifting projects and community development. They believe it spurs production of affordable housing, protects tenants’ rights, keeps unjustly exploited borrowers in their homes and wages against predatory lenders. They believe it fights for the rights of workers, immigrants and utility ratepayers. But it does so much more.

When the extortion and vote-fraud conglomerate ACORN isn’t busing schoolchildren to the nation’s capital to protest proposed tax cuts, it’s busy campaigning to expand the size and scope of government, raising the dead from cemeteries and leading them to the voting booth, and promoting the so-called Fairness Doctrine in order to bludgeon conservative-dominated talk radio.

Although congressional Democrats refuse to investigate ACORN, so far this year alone voter registration fraud charges have been laid against former ACORN employees in Nevada and Pennsylvania. Nevada charges were laid against two former senior ACORN executives and against the nonprofit entity itself.

ACORN is also under investigation in Cuyahoga County, Ohio, after a man who was registered to vote multiple times by ACORN was indicted in June by a grand jury for fraudulent voting. This is significant because ACORN has long claimed that the illegal casting of ballots is a myth. The Ohio prosecutor continues to probe ACORN.

ACORN frequently claims to be a victim of GOP persecution but that won’t work this time: All of the officials laying charges in the three states are Democrats. ACORN also loudly proclaims its nonpartisan status, but that’s nonsense. ACORN works for and endorses only Democrats. During last year’s primaries, the Obama campaign paid $832,598 to Citizens Services Inc., an ACORN affiliate, for get-out-the-vote work.

The activities of the ACORN network, a tangled mess of interlocking directorates and upward of 100 affiliated tax-exempt groups that routinely swap seven-figure checks, have long cried out for a probe under federal racketeering laws. The network has taken in at least $107 million in donations and $53 million in federal funds since 1993, yet it owes millions of dollars in back taxes and is eligible for up to $8.5 billion in federal funding this year.

No one knows how big the entire ACORN network’s budget is. One of the reasons is that tracking housing and community development grants administered by the U.S. Department of Housing and Urban Development (HUD) is difficult. HUD often distorts the money to states and localities, which then allot the funds to many different nonprofit groups. Getting a total financial picture would require enlisting an army of Freedom of Information Act requesters.

The vast ACORN empire includes ACORN Institute Inc. (leadership training for activists), W*A*R*N (Wal-Mart Alliance for Reform Now, which supports organizing unions in Wal-Mart stores), ACORN Housing Corp. Inc. (arranges mortgages), Living Wage Resource Center (tracks efforts by cities and states to raise the minimum wage above the federal standard), two “social justice” radio stations in Arkansas and Texas, Project Vote (voter registration and mobilization), Service Employees International Union (SEIU) Locals 100 (Arkansas, Louisiana, Texas) and 880 (Illinois, Indiana), Site Fighters (fighting “big box” chains such as Wal-Mart and Target), and American Institute for Social Justice (publishes Social Policy magazine with ACORN Institute Inc. and the Organizers’ Forum). It also operates a handful of “social justice” high schools in New York and California.

Trying to tell ACORN backers what you really think of the ACORN network is a surefire recipe for disaster at a fancy Georgetown dinner party. In many cases you can expect to be vilified as a mean-spirited, anti-social miscreant who hates the poor and fears minority groups. ACORN spokesman Scott Levenson was booted off Fox News’ “Glenn Beck Program” for implying during a break that the host was racist for criticizing ACORN.

This vitriol is understandable because, in the hierarchy of progressive activist groups, the 39-year-old ACORN sits atop Mount Olympus, unassailable because its motives are viewed as pure. It may have many flaws, but to its admirers, the fact that it is so regularly attacked by conservatives and Republicans means it must be doing something right.

But what gullible liberals such as ACORN donors Roseanne Barr and Barbra Streisand don’t know—or seem unwilling to admit—is that ACORN is a
huge multi-million dollar international conglomerate that is devoted to undermining democracy and the capitalist system itself.

Liberals also seem blissfully ignorant of the fact that ACORN was founded not to teach self-reliance but to encourage poor people to get on welfare. By overloading the system, the strategy held, radical change would come to America.

All of this sounds kind of like a kooky conspiracy theory, doesn’t it? Perhaps, but unlike most farfetched-sounding theories it happens to be true.

RADICAL ROOTS
Let’s go back to the beginning.

Many radical groups trace their lineage to the 1962 Port Huron Statement, a manifesto of radical students disillusioned with America. The declaration, composed largely by radical leftist Tom Hayden, asserted the American system was beyond redemption and reform, hopelessly mired in racism, militarism and nihilistic materialism. It declared that “[t]he allocation of resources must be based on social needs” and that “public utilities, railroads, mines, and plantations, and other basic economic institutions should be in the control of national, not foreign, agencies.”

It called for greater worker control over the economy and so-called participatory democracy, but on the far Left, the word democracy has a very different meaning than most Americans assign to it. To many of these radicals, democracy is a code word for socialism. To this end, some leftists have tried to re-brand socialism as economic democracy. Before the Age of Obama, socialist Princeton professor Cornel West, an ACORN ally and advisor on Obama’s campaign team, wrote “Democracy Matters: Winning the Fight Against Imperialism,” which holds that the U.S. is under the control of racist, patriarchal, authoritarian fundamentalists.

West hails democracy as a concept but also calls himself a “progressive socialist” and has written that “Marxist thought is an indispensable tradition for freedom fighters.” When West visited Venezuela in 2006, he praised its government, which has nationalized industries, jailed and murdered its opponents and threatened the United States. West said he visited Hugo Chavez’s Venezuela “to see the democratic awakening taking place.” By “democratic awakening,” West meant the transmogrification of Venezuela into a socialist state. In other words, if radical leftists don’t end up with the political result they want, it can’t possibly be real democracy. West has also, incidentally, been a longtime supporter of the ACORN-affiliated radical New Party.

To further its war on “the system,” Hayden and his allies created an organization called Students for a Democratic Society (SDS). Although SDS became perhaps the preeminent group of the New Left movement, it failed to achieve its goals and splintered into factions.

One bloc eventually became the violent Weather Underground Organization. The Weathermen embraced terror as a tool of socioeconomic and political change and became especially enamored of explosives. After getting off criminal charges on a legal technicality, two
of the group’s leaders, would-be mass murderers William Ayers and Bernardine Dohrn, decided to poison the minds of the young by turning them against the American system. The unrepentant totalitarian leftists became members of the faculties of, respectively, University of Illinois at Chicago and Northwestern University School of Law. Ayers, who while on the board of the Woods Fund of Chicago helped steer grants to ACORN, now teaches students how to indoctrinate their future pupils. Dohrn, his wife, teaches students how to use the law to achieve the left-wing abstraction known as social justice.

But not all SDS members embraced violence. Among those who rejected terror as an instrument of political persuasion was ACORN founder Wade Rathke, who was an SDS draft resistance organizer. Rathke also organized for the National Welfare Rights Organization (NWRO), an organization whose members physically occupied welfare offices, intimidating social workers and demanding every government welfare dollar that they thought the law entitled them to.

CRISIS STRATEGY
NWRO followed the Cloward-Piven Strategy, named after famed Marxist sociologists Frances Fox Piven and Richard A. Cloward. They developed a model of political and economic subversion that called upon activists to pack the welfare rolls to spread dependency, bankrupt the government and cause uprisings against the capitalist system. They outlined plans for a welfare rights movement in a 1966 Nation article titled “The Weight of the Poor: A Strategy to End Poverty.” The essay was a runaway success on the Left and the magazine sold an unprecedented 30,000 reprints.

Many Americans, they noted, were eligible for welfare but were not receiving it: “The discrepancy is not an accident stemming from bureaucratic inefficiency; rather, it is an integral feature of the welfare system which, if challenged, would precipitate a profound financial and political crisis.” This strategy of orchestrated crisis they proposed was “a massive drive to recruit the pooronto the welfare rolls” [italics in original].

The pair argued that words were not enough to spark an American counterculture. Organized mass protests and in-your-face confrontations would help to remove the stigma associated with receiving welfare and motivate the poor to rise up and seize what society owed them. “Advocacy must be supplemented by organized demonstrations to create a climate of militancy that will overcome the invidious and immobilizing attitudes which many potential recipients hold toward being ‘on welfare,’” they wrote.

In a New York Times interview in 1970, Cloward said that the poor can only improve their lot when "the rest of society is afraid of them." Instead of using the state to buy off the poor with government handouts, activists should work to undermine the welfare system in an effort to bring about its collapse, which would spark a political and economic crisis that would shake America to its core. As the poor rebelled, then “the rest of society” would give in to their demands, Cloward reasoned.

The Cloward-Piven approach was a smashing “success.” “The flooding succeeded beyond [NWRO head George] Wiley’s wildest dreams,” according to scholar Sol Stern. “From 1965 to 1974, the number of single-parent households on welfare soared from 4.3 million to 10.8 million, despite mostly flush economic times.”

NWRO campaigned for a guaranteed living income, which in 1968 it deemed to be $5,500 per year for every family with four children, according to David Horowitz’s online encyclopedia of the Left, DiscoverTheNetworks.org.

The group’s leader, George Wiley, who was handpicked by Cloward and Piven, devised the battle cry, “Fifty-five hundred or fight!” Somehow it became “Sixty-five hundred or fight!” the next year.

Wiley’s supporters took over welfare offices, held sit-ins and harassed social workers across America, but the strategy was particularly successful in New York City where it helped push the Big Apple into bankruptcy in 1975. Authorities there caved in to every demand from the group. “By the early 1970s, one person was on the welfare rolls in New York City for every two working in the city’s private economy,” according to Stern.

During his push to overhaul the city’s welfare system in the mid-1990s, then-Mayor Rudy Giuliani said New York had been a victim of economic sabotage and blamed Cloward and Piven. “This wasn’t an accident,” Giuliani said in 1997. “It wasn’t an atmospheric thing, it wasn’t supernatural. This is the result of policies and programs designed to have the maximum number of people get on welfare.”

ACORN founder Wade Rathke also came to believe in “welfare rights.” Rathke had been a NWRO activist and became the protégé of its founder.

In 1970, Rathke created ACORN to carry out the strategy of upheaval and the agenda of welfare entitlement.
ACORN’s “People’s Platform” reads like a kind of “Communist Manifesto” for America’s community organizers:

“But we have nothing to show for the work of our hand, the tax of our labor. Our patience has been abused; our experience misused. Our silence has been seen as support. Our struggle has been ignored.

“Enough is enough. We will wait no longer for the crumbs at America’s door. We will not be meek, but mighty. We will not starve on past promises, but feast on future dreams.”

The platform is alive and well at ACORN, which created a new kind of tax preparation service based on the assumption that Americans have a “right” to welfare. Think of it as H&R Block for subsversives. The group and its allied entities help people claim the Earned Income Tax Credit, a “refundable” tax credit that is welfare by another name. The goal is not primarily to help Americans in need but to increase governmental burdens. Although there is nothing wrong with registering poor people to vote, ACORN’s focus on registering those dependent on government programs is constituency-building that is consistent with the Cloward-Piven Strategy. Its voter registration drives in Louisiana, for example, have focused on registering people at government offices that deal with welfare, unemployment benefits and food stamps.

SAUL ALINSKY
ACORN and the Weather Underground, siblings who took different paths to radical change—one through violence and terror, the other through protest and politics—both drew inspiration from Chicago activist Saul Alinsky. He is the leftist who wrote “Rules for Radicals,” the seminal how-to guide for “realistic radicals” that elevated political agitation to an ugly art form.

As the father of community organizing, Alinsky urged activists to “rub raw the sores of discontent.” In his book, he praised Lucifer as the “first radical” who “rebelled against the establishment and did it so effectively that he at least won his own kingdom.” Alinsky said his book was “a step toward a science of revolution.” He acknowledged, “‘The Prince’ was written by Machiavelli for the Haves on how to hold power. ‘Rules for Radicals’ is written for the Have-nots on how to take it away.”

Alinsky believed that in political combat almost anything goes: “In war the end justifies almost any means.” He wrote, “The practical revolutionary will understand ... [that] in action, one does not always enjoy the luxury of a decision that is consistent both with one’s individual conscience and the good of mankind.”

It’s unclear if the charismatic Wade Rathke, who has on more than one occasion been accused of being a kind of cult leader, ever met Alinsky. When she was First Lady, Hillary Clinton, who wrote her college thesis on Alinsky, pushed Bill Clinton to prioritize ACORN’s “Motor Voter” legislation, which opened up new opportunities for electoral fraud. It was the first bill President Clinton signed into law.

Marcel Reid, whom ACORN management expelled from its national board last fall, says Rathke is not true to the organizing ideals of Alinsky. “There’s definitely a difference between Wade-ism and Alinskyism,” she said in an interview. “Alinsky respected poor people, but I think Rathke does not.”

“Alinsky was trying to empower poor people to leverage the only thing they had, which was their sheer numbers. Alinsky wanted poor people to lift themselves out of poverty; Wade needs poor people to stay in poverty because that allows him to stay paternalistic and it allows him to maintain his power over people,” Reid said. “Wade wants to help poor people just enough so that they are beholden to him but never capable of breaking away from him and never completely independent.”

Reid, who lives in Washington, D.C., and Minnesota-based Karen Inman, were booted off the ACORN national board last fall after they asked too many questions. They filed a lawsuit in order to see internal financial documents related to ACORN’s eight-year-long cover-up of the million-dollar embezzlement by Rathke’s brother Dale. The women maintain their expulsion violates the group’s bylaws, which require state chapters to remove those delegated to sit on the national board. The two have since created “ACORN 8,” a group that aims to reform ACORN and that is pushing for the group to be investigated by authorities and subjected to a forensic audit.

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“A crisis ... helped bring the stock market down. ACORN set up a group that aims to reform ACORN and that is pushing for the group to be investigated by authorities and subjected to a forensic audit.”

AN ACORN INSIDER’S VIEW
Those on the Left, and particularly those on the Right, don’t really understand the true nature of ACORN or how it does business, according to Reid, who offers a unique window to the operations of America’s most notorious activist network.

Roughly echoing White House chief of staff Rahm Emanuel’s infamous never-let-a-crisis-go-to-waste quip earlier this year, Reid said, “ACORN prospers from chaos because chaos presents an opportunity for change.”

She believes ACORN’s ambitious record of electoral fraud is part of a deliberate strategy of misdirection by the group’s leadership.

“What everyone calls voter registration fraud is really funder fraud, because these foundations pay for people to be registered to vote and for every one of these people registered who is not a real person the funders are being defrauded,” she said.

It was, of course, the great...
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Communist revolutionary Vladimir Lenin who once sneered that capitalists would “sell us the rope with which to hang them” and called them “useful idiots” who would gladly work “on the preparation of their own suicide.” Not surprisingly, ACORN has long relied on corporate America, especially banks, for money.

Although a major funder, the Catholic Campaign for Human Development, dropped ACORN last year over fears related to its partisan political activities, ACORN still can count on deep-pocketed institutional donors such as the Marguerite Casey Foundation, George Soros’ Open Society Institute, and the Tides Foundation, and more recently the Soros-led Democracy Alliance, a club of billionaire leftists devoted to turning America into a European-style socialist state.

Reid has her own theory about ACORN and election fraud.

“It’s not that ACORN actually believes it can influence elections by fraud,” said Reid. “It just doesn’t care.” In fact, “ACORN doesn’t mind being accused of election fraud because it has never attempted to commit election fraud. Fraud allegations are useful because they distract from ACORN’s other, more profitable operations,” she said.

Activists from the group “are best understood as shock troops for the AFL-CIO and even the Democratic Party,” according to Wall Street Journal columnist John Fund. Their leaders excel at creating a sense of urgency.

“This is why they never call people for actions [i.e. protests, campaigns] more than 48 hours in advance so that there’s always some breathlessness on the other end of the phone,” Reid said.

“Sometimes you have people showing up for actions not knowing exactly why they’re there,” she explained. “They know they’re fighting some power, but they don’t know which power, because ACORN keeps information on a need-to-know basis right before the action.”

“In that aspect they are not different from a military operation, because many soldiers are deployed not knowing where they’re going or why until the last minute,” she said.

Some critics of ACORN don’t give its labyrinthine organizational structure the credit it deserves, Reid continued. “They don’t appreciate the prowess that ACORN operates with, that it’s mean and lean, that they keep their operating costs down, and they can strike a number of targets simultaneously with military precision.”

Reid also explained how ACORN targets businesses, which she said follows what’s known as Alinsky’s Rule 12: “Pick the target, freeze it, personalize it, and polarize it.” Alinsky also taught that it is easier to pressure individuals than institutions.

Reid said before ACORN targets a corporation, it finds out who on its board of directors is the weakest. “It’s amazingly easy to find. Go for the person with the least power and the most access to knowledge because generally corporations treat the lowest-level employees the worst. You call the receptionist in the corporation and you start a conversation,” she said.

“In all corporations the receptionist tends to know the most about the corporation and is the least respected, which means that you can establish

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Tosha Alberty talks to her bank in front of her foreclosed home in Oakland, Calif., during an ACORN-led rally to try to stop authorities from foreclosing on her home. ACORN has taken radical steps, including breaking into homes, to attempt to stop foreclosures. (AP/Paul Sakuma)

A rapport with them and that will eventually give you the information you need,” she said.

“Once you have identified the weakest board member use Rule 12 and go to their homes and picket and do actions, use direct action to ostracize the person, which softens up the corporation for negotiations,” she revealed.

Reid also made the point that ACORN uses its mortgage operation, ACORN Housing, as a recruitment tool. Borrowers go to ACORN Housing, get a credit report and then are brought to a meeting where the lending program is explained. The explanation includes a pitch to join ACORN. While membership is not mandatory for borrowers, it is strongly encouraged, Reid said.

New members pay a $30 initiation fee, which covers membership for three months. After that, membership is $10 per month. Members can also join ACORN’s legally separate political action committee for an extra $5 a month. People can also choose to become “associate” ACORN members for just $5 a month, but associate members aren’t allowed to run for office within the organization.

Provisional membership is given to the very poor who are allowed to pay what they can or nothing at all. Provisional members are allowed to participate in actions but not to vote in internal elections. They are, however, “polled” just as other members are. Polling is an occasional survey by ACORN to ascertain membership policy priorities and preferences.

**FINANCIAL AFFIRMATIVE ACTION**

ACORN loves to brag about the success it has enjoyed in redistributing wealth and creating market chaos.

A 1999 pamphlet from ACORN Housing called the American Dream a sham and bragged about weakening lenders’ underwriting standards. There may be isolated “stories of hope and success” in some communities, but “they also belie the supposition that if you simply work hard, sacrifice and save, you can easily buy a home of your own.”

The ACORN affiliate also took credit for crafting “several innovative strategies” to avoid traditional lending guidelines, which it called unfair because they “were geared to middle-class borrowers.” ACORN talked banks into using “more flexible underwriting criteria that take into account the realities of lower-income communities.” It even managed to get some inner-city lenders to use “less traditional income sources such as food stamps.”

This sort of radical experimentation was encouraged by the Community Reinvestment Act of 1977 (CRA), which helped to change the way U.S. financial institutions operate. Although it didn’t cover all mortgages, CRA opened the door for community organizers to weaken lending standards. ACORN pressed hard for the legislation that punishes banks for, well, being banks and forced them to take on riskier borrowers. To seek a race-based kind of social justice, CRA prohibited banks from restricting loans to more affluent, creditworthy markets, a business practice now known by the emotive dysphemism “redlining.” The statute gave federal bureaucrats discretionary authority to make trouble for banks that failed to lend enough money to “underserved” minority communities.

After CRA took effect, ACORN and groups with similar goals entered the shakedown business. At one ACORN conference, Jesse Jackson urged an aggressive approach: “Why did Jesse James rob banks? Because that’s where the money was.”

This megaphone-assisted panhandling intensified when the Clinton administration put the CRA on steroids. CRA allowed activists to blackmail lenders into handing out mortgages to people with little regard for their ability to keep up payments.

Banks felt the heat from community organizers and CRA examiners and instead of fighting, they made loans they shouldn’t have and paid out millions of dollars in protection money to ACORN and its brethren.

The advent of Mortgage-Backed Securities (MBSs) by Fannie Mae and Freddie Mac gave banks an added incentive to write risky loans, because they knew they could dump their dubious mortgages onto Fannie and Freddie investors who counted on a government bailout if things got rough.

These MBSs—which should have been called Mortgage Junk Bonds—helped to spread the subprime contagion across America and the world.

MBSs received strong bond ratings from credit agencies in part because Fannie and Freddie, which had been...
ordered to place politics over profit making, had long enjoyed an implied guarantee from Uncle Sam, so investors bought them with confidence. Some suggest the actions of ACORN and other Alinsky-inspired organizations that adhere to the Cloward-Piven Strategy helped cause the meltdown on Wall Street. A cheeky conservative might even argue that the crisis on Wall Street is a kind of Reichstag fire but that this time the Communists really are the arsonists.

Cheered on by ACORN, the Obama administration in June proposed making the CRA tougher. It was an easy sell to President Obama, who has long been a strong supporter of the law. As an ACORN benefactor, organizer and trainer, Obama helped turn up the heat on lenders when he represented plaintiffs in the 1995 class action lawsuit *Buycks-Roberson v. Citibank*. The suit demanded the bank’s mortgage lending be apportioned equally among minority and non-minority applicants. Citibank settled and reportedly took on riskier borrowers.

Economist Stanley Liebowitz wrote that the current mortgage market debacle is “a direct result of an intentional loosening of underwriting standards—done in the name of ending discrimination, despite warnings that it could lead to wide-scale defaults.”

Political activism drove the banks to make irresponsible decisions, and it has put taxpayers on the hook for bank and housing bailout packages costing potentially trillions of dollars.

Reid defends the CRA and argues that despite ACORN’s many flaws some of the things that it does are laudable. Most grassroots members want to improve America, but she said ACORN’s leadership is dedicated to its agenda, which seldom mirrors the agenda of its membership who are not terribly ideological.

“These people are not radical leftists, but the people at the top of ACORN are,” she said. •

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