

Is ACORN Bullet-Proof? Radical Community Organizers Re-Organize

By Matthew Vadum

Summary: Supporters of ACORN make long faces, lamenting the collapse of their sainted organization. Don't believe them. It's all for show.

In 2009 Congress banned further federal funding for ACORN and last November the group declared bankruptcy. But ACORN operatives are rebuilding their organizing and fundraising apparatus, and ACORN is spawning new progeny. The groups have new names, but the faces behind them are familiar. They are roaming through government agencies in search of more federal grants. In this issue Matthew Vadum explores ACORN's latest reinvention since the May publication of his book *Subversion Inc.*

Bertha Lewis chuckles about the collapse of ACORN, which filed for bankruptcy in November. "I think the Right is going be sorry," she says, laughing. "What doesn't kill you makes you stronger and they didn't really kill us. They just made us stronger."

Lewis, who succeeded longtime ACORN "chief organizer" Wade Rathke, confirmed information revealed in leaked emails sent to supporters by ACORN spokesman Nathan Henderson-James: the dissolution of ACORN as a national organization is a complete fraud.

In September 2009 ACORN was rocked by videos showing undercover conservative activists receiving helpful advice from various ACORN employees on how to establish a brothel catering to pedophiles. The videos went viral, talk shows had a field day, and



Stinking up the banks: members of one of ACORN's many new front groups, Alliance of Californians for Community Empowerment (ACCE), dump garbage at a branch of Wells Fargo in San Jose. (screen grab from local TV)

ACORN's already-tarnished reputation was destroyed. The group lost its government grants and previously generous charitable foundations suddenly discovered they had better things to do with their money.

Unable to reclaim its reputation, ACORN tried to run away from it. As I report in my new book, *Subversion Inc.: How Obama's ACORN Red Shirts are Still Terrorizing and Ripping Off American Taxpayers* (WND Books, May 2011), the group instructed its state chapters to reincorporate themselves as separate entities under assumed names.

Last June Bertha Lewis explained the up-side of the undercover video saga to New York radio host Roy Paul:

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[It] really got us to thinking about how to reorganize ourselves, how to run our chapters because we knew that these kind of attacks would never stop. So we had to regroup, reorganize, rebrand. But folks across the country in 25 states, former ACORN chapters and former ACORN members are still organizing on a local level, here in New York City ... Our chapters regrouped. People renamed themselves, reorganized themselves, so that they could have very good structures, and the fight continues. I think in a way the Right made a mistake when they attacked us viciously. Because now what they did was [they] actually helped us focus [on] how to make ourselves bullet proof as we move forward.

The chapters followed orders. And now these “new” groups are everywhere, gearing up

ERRATUM

Due to a printer's error, the inside pages of last month's *Organization Trends* were inadvertently reversed. We regret the error.

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to help reelect President Obama, a former ACORN employee.

Different Names, Same Faces: ACORN's Front Groups

Take a look at the new names that ACORN state-level chapters are using. Incorporated as new nonprofits, they celebrate diversity and the cause of social justice for all. In some states, there is more than one ACORN front group.

Here are the 21 ACORN front groups we know about. An asterisk (*) indicates a newly discovered front group not previously identified in *Subversion Inc.*

Arizona: **Living United for Change in Arizona*** (LUCHA)

Arkansas: **Arkansas Community Organizations**

California: **Alliance of Californians for Community Empowerment** (ACCE)

Connecticut, Massachusetts and Rhode Island: **New England United for Justice**

Delaware: **Delawareans for Social and Economic Justice***

District of Columbia and Maryland: **Communities United** and **Communities United Training and Education Fund**

Florida: **Organize Now***

Louisiana: **A Community Voice** and **Alliance Institute***

Minnesota: **Minnesota Neighborhoods Organizing for Change**

Missouri: **Missourians Organizing for Reform & Empowerment** (MORE)

New Mexico: **Organizers in the Land of Enchantment*** (OLÉ)

New York: **New York Communities for Change** (NYCC) and the **Black Institute**

North Carolina: **Action North Carolina*** (Action NC)

Pennsylvania: **Pennsylvania Neighborhoods for Social Justice** (PNSJ) and **Pennsylvania Communities Organizing for Change** (PCOC). PCOC does business under the name **Action United**.

Texas: **Texas Organizing Project** and **Texas Organizing Project Education Fund**

Washington: **Organization United for Reform** (OUR) **Washington**

These groups are typically staffed by former ACORN officials, and in many cases operate out of their former ACORN offices. For example:

* Alliance of Californians for Community Empowerment is run by executive director Amy Schur, a 20+ year ACORN employee. To keep things legal ACCE paid \$9,000 to purchase ACORN California computers and office equipment. It also bought the rights to ACORN's donor databases.

* In Florida, Organize Now is run by Tamecka Pierce, former president of Florida ACORN.

* Living United for Change in Arizona is run by former ACORN official Monica Sandschafer.

* Action North Carolina is run by Alexander P. "Pat" McCoy, former head organizer for North Carolina ACORN.

* The executive director of New York Communities for Change is Jon Kest, a longtime ACORN official and brother of former ACORN national director Steve Kest.

* Matthew Henderson, former New Mexico ACORN head organizer, now runs OLÉ, Organizers in the Land of Enchantment.

* Darlene Battle, former state director of Delaware ACORN, heads Delawareans for Social and Economic Justice. The new group has close ties to Delaware Gov. Jack Markell, a Democrat sworn into office in 2009.

Show Us the Money!

Many of the new front groups intend to seek funding from the federal government, if they haven't received funds already. Half have obtained "DUNS" numbers from Dun and Bradstreet, which enables them to apply for federal grants. Since 2003 the federal government's Office of Management and Budget (OMB) has required federal grant applicants

to obtain DUNS numbers. DUNS stands for Data Universal Numbering System.

Because the ACORN front groups are newly incorporated and financial tracking lags, it is difficult to find funding information. However, some grants data from philanthropic foundations are available from the various foundations' websites.

Alliance of Californians for Community Empowerment has received funding from the William and Flora Hewlett Foundation (\$200,000), Abelard Foundation West (\$10,000), Friedman Family Foundation (\$10,000), Y&H Soda Foundation (\$30,000), Liberty Hill (\$50,000), United Way Silicon Valley (\$7,500), and the Edward W. Hazen Foundation (\$30,000).

New England United for Justice received a grant from the Hyams Foundation (\$50,000). Pennsylvania Neighborhoods for Social Justice received a grant from United Way (amount unknown).

New York Communities for Change received funds from the New York Foundation (\$42,500), Mertz Gilmore Foundation (\$50,000 for a project called "Leadership Center for the Common Good"), Rockefeller Brothers Fund (\$25,000 for the "Leadership Center"), Long Island Community Foundation (\$15,000), and the Edward W. Hazen Foundation (\$30,000).

Labor unions gave about \$300,000 to NYCC last year. The group also took in more than \$200,000 from the United Federation of Teachers (UFT). (*New York Post*, Jan. 24, 2011) UFT previously paid ACORN approximately \$500,000 to campaign against charter schools in New York.

NYCC also held a glittering fund-raiser featuring "Sex in the City" actress Cynthia Nixon and U.S. Rep. Jose Serrano (D.-N.Y.), both longtime ACORN supporters.

Launching a Nationwide Homeowners' Mortgage Strike

New York Communities for Change, the Alliance of Californians for Community Empowerment, Missourians Organizing for Reform and Empowerment, and Washington

state's Organization United for Reform are among the groups that are participating in a frightening plan that aims to undermine the nation's financial system. It is an economic sabotage campaign hatched by union organizer Stephen Lerner, an international board member of the Service Employees International Union (SEIU) and a figure highly regarded on the Left for thinking big. Lerner is planning a campaign of disruption that calls for mortgage and student loan strikes, crippling bank boycotts, and intimidation of corporate executives and board members. (For more information see *Organization Trends*, July 2011.)

Lerner recently told a conference of left-wing activists that his strategy addresses the following questions: "How do we bring down the stock market, how do we bring down their bonuses, how do we interfere with their ability ... to be rich?" It is important "to politically isolate them, economically isolate them and disrupt them," he said. "Them" to Lerner is "the folks that control this country." After Greeks rioted over austerity measures and the stock market fell, Lerner explained that the folks who run this country "care about one thing: how the stock market does; how the bond market does; and what their bonus is."

Lerner's first target of opportunity is JPMorgan Chase, which he calls "a really good company to hate." Lerner advises activists that if they really believe capitalism is in a "transformative stage," they "need to confront this in a serious way and develop a real ability to put a boot in the wheel." Said Lerner:

... we really are trying to disrupt and create uncertainty for capital, for how corporations operate ... there are actually extraordinary things that we could do right now that would start to destabilize the folks that are in power and start to rebuild a movement.

Echoing the infamous Cloward-Piven Strategy of orchestrated crisis, Lerner believes Wall Street's great nightmare is a nationwide mortgage strike. At the conference he noted that 25 percent of homeowners now own a

home worth less than they paid for it. Of those homeowners "under water," 10 percent "are now in strategic default, meaning they're refusing to pay but they're staying in their homes." Because it often takes lenders a year to foreclose on mortgages and evict their owners, Lerner says homeowners in default should be encouraged to refuse to leave their homes. "If you could double that number, you would ... put banks on the edge of insolvency again."

Lerner wants to target banks that don't pay their "fair share" in taxes, refuse to slash interest rates, and forgive mortgage principal. He calls on state and local governments to stop doing business with banks that refuse to surrender to his campaign's demands.

The state ACORN front groups are taking a lead role in spearheading the Lerner campaign.

* New York Communities for Change is pressuring municipalities in the state to stop doing business with big banks. NYCC takes credit for persuading the town of Hempstead in Nassau County, N.Y. for "closing the Chase Account and moving \$12.5 millions in tax payer dollars out of the pockets of the greedy Wall Street Bankers who caused the financial crisis!" The group claims "NYCC members in almost 40 cities, villages and counties have emailed their elected officials to demand the local government stop doing business with Chase."

* Alliance of Californians for Community Empowerment (ACCE) boasts that 22 activists were arrested protesting foreclosures outside a Chase office in Los Angeles. "These banks are terrorists," said one activist. "They terrorize us by threatening to take our homes."

In South Los Angeles, ACCE and SEIU held a mock trial outside a Chase office. ACCE organizer Evelyn Gutierrez said her group targeted Chase because it lent money to poor people—exactly what ACORN previously pressured Chase to do more of. ACCE wants Chase to "forgive" all borrowed principal, said JPMorgan Chase spokesman Gary Kischner. "We've done over one million loan modifications and we've had outreach

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events like the one we did at the Convention Center in January.”

* Last year Missourians Organizing for Reform and Empowerment (MORE) jumped early on the anti-Chase bandwagon. Veteran ACORN organizer Jeff Ordower led an assault on a Chase office in the St. Louis suburbs.

* Organization United for Reform (OUR) protested outside the Chase branch in Marysville, Washington. OUR demanded that Chase give part of a \$1.4 billion tax refund to the local school district. Chase spokesman Darcy Donahoe-Wilmot pointed out that the bank already gave more than \$11.4 million to nonprofits in the state last year.

SEIU's Lerner isn't the only advocate of in-your-face tactics. At the "America's Future Now!" conference last summer in Washington, D.C. George Goehl, executive director of the Chicago-based **National People's Action**, said, "The banking crisis is the next big thing."

"People are ready to move to the streets, some because they're angry, some because they want justice right now, and some because they're tired of hearing about the tea party coming out."

SEIU and ACORN are heeding Goehl's call. Other Saul Alinsky-inspired pressure groups nationwide are participating in the effort, including the Alinsky-founded **Industrial Areas Foundation (IAF)**, **National People's Action (NPA)**, **PICO National Network**, and **Alliance for a Just Society**.

Before the Revolution

Until the Revolution erupts state ACORN groups are acting independently, planning independent protests and disruptions.

* **California.** This summer ACCE organized a garbage-dumping stunt at a Wells Fargo bank in San Jose, Calif. In a TV news report a protester holds a sign: "MAKE THE BANKS PAY! ACCE." Homeowners were reportedly upset about inadequate upkeep at a property foreclosed by Wells Fargo. Ironically, the bank is listed as trustee but the property is actually owned by Bank of

America, a longtime ACORN ally. In recent years Bank of America Charitable Foundation Inc. has given \$5 million to ACORN Housing Corp.

ACORN has waged a war on Wells Fargo for years. As I explain in *Subversion Inc.*, Wells Fargo's competitors have paid ACORN handsomely. Herb and Marion Sandler, co-CEOs of Golden West Financial Corporation and founders of World Savings Bank, have contributed \$11 million to ACORN.

* **Pennsylvania:** Action United disrupted an Aetna Inc. annual shareholders meeting in Philadelphia in April. The group accused Aetna of publicly supporting President Obama's health care law while quietly giving money to Obamacare opponents such as the U.S. Chamber of Commerce. Twenty activists were ejected from the meeting.

Last fall, Action United protested Republican Senate candidate Pat Toomey's support for Social Security reform by demonstrating outside Philadelphia's National Constitution Center before the start of a debate between Toomey and Joe Sestak, his Democratic opponent. Around the same time, Pennsylvania Neighborhoods for Social Justice conducted a get-out-the-vote drive exclusively in Democratic strongholds including public housing facilities.

* **Nevada:** In August ACORN was fined the maximum of \$5,000 in Las Vegas for its role in a massive voter fraud conspiracy. Significantly, this is the first time ACORN, not merely individual employees, has been convicted of a crime. Judge Donald Mosley said he would have handed down a 10-year prison sentence if an individual rather than a corporation had been before him: "And I wouldn't have thought twice about it." Mosley criticized ACORN for making a "mockery" of America's electoral process. "This isn't a banana republic," he said.

Earlier ACORN had pleaded guilty to felony-level unlawful compensation for registration of voters. With the full knowledge of upper management, ACORN illegally offered cash bonuses to its voter registration canvassers in a scheme called "Blackjack." Canvassers received extra money if they registered 21 voters a day.

ACORN denies prior knowledge and probably won't pay a cent in fines because its shell corporation is in bankruptcy. Senior ACORN executives Amy Adele Busefink and Christopher Howell Edwards were also convicted for their roles in the scheme. ACORN cares so little about the conspiracy that Project Vote, its voter mobilization division, put Busefink in charge of the group's national get-out-the-vote drive in 2010 while she was under indictment in Nevada.

Throughout the years Mickey Mouse, Mary Poppins, and celebrities living and dead were registered to vote because ACORN was allowed to pollute the voter rolls.

At least 54 ACORN employees and individuals associated with ACORN have been convicted of voter fraud, a blanket term coined by lawyers referring to fraudulent voting, identify fraud, perjury, voter registration fraud, forgery, and other crimes related to the electoral process.

Colorado and Ohio: Judicial Watch recently uncovered evidence of ACORN voter fraud in Colorado, and in Ohio ACORN has settled out of court a racketeering lawsuit with the state free-market Buckeye Institute and has agreed to "cease all Ohio activity" and surrender its state business licenses. (ACORN's criminal activities are exhaustively documented in *Subversion Inc.*)

Project Vote and ACORN Housing: These organizations are still in business. Project Vote continues to operate out of ACORN's old Washington, D.C. offices. Chicago-based ACORN Housing has been renamed **Affordable Housing Centers of America**.

ACORN Housing: Tax Deadbeats, Scam Artists

ACORN Housing Corp. is like a con artist trying to escape his past. It has legally changed its name to Affordable Housing Centers of America Inc. (AHCOA). But AHCOA and its subsidiaries owe an eye-popping \$162,813 in back taxes to the IRS, California, Florida, Indiana, Maryland, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Texas, Washington, the city of Philadelphia, and the California counties of Fresno and Santa Clara. (This information is available in the Nexis public records database.)

ACORN Housing emerged from a 1982 squatters' tent city that ACORN erected behind the White House. The nonprofit, which would help inflate the mortgage bubble, bragged in a 1999 pamphlet that it strong-armed banks into letting food stamps and welfare count as income on home loan applications. Now, as America's financial problems worsen, the "new" ACORN Housing is coveting even more tax dollars. AHCOA and its subsidiaries have applied for and received 32 "DUNS" numbers, the registration numbers that are a prerequisite for seeking federal grants.

Tax dollars going to ACORN Housing haven't stayed for long in its bank accounts. Since 1997, ACORN Housing redistributed more than \$5.1 million in fees or grants to other entities in the ACORN network. According to its tax returns, ACORN Housing gave \$4,057,174 to the ACORN affiliate known as the American Institute for Social Justice (AISJ), a training program for Saul Alinsky-inspired organizers. (AISJ's corporate charter has lapsed.)

Congressional investigators from the House Oversight and Government Reform Committee warn that the group participates in a "shell-game of corporate financing that enables ACORN to commingle funds and potentially divert federal monies into partisan activities in violation of federal law."

Obama Administration: Still Funding ACORN

Many conservatives believe ACORN has been stripped of its taxpayer dollars by a law enacted in late 2009 that prohibits it from receiving federal funding. They are wrong.

With legal representation from the Center for Constitutional Rights, a particularly militant left-wing public interest law firm, ACORN filed a legal challenge against the funding ban. Trial judge Nina Gershon found the ban unconstitutional. She said it was a "bill of attainder" that punished ACORN without trial.

A U.S. appeals court slapped down Gershon's decision, rejecting ACORN's novel argument that Congress has no power to stop funding a group unless it can prove the group has done

something wrong. In June the U.S. Supreme Court refused to hear ACORN's appeal.

But the Obama administration didn't get the message.

The watchdog group Judicial Watch has unearthed a \$79,819 grant to ACORN from the Department of Housing and Urban Development. It is dated March of 2011. The HUD grant went to a Florida office of the Affordable Housing Centers of America (AHCOA), the new name for ACORN Housing Corp.

HUD defends itself by saying that AHCOA severed its ties with ACORN. This is nonsense. Longtime ACORN activists dominate AHCOA's management. For example, the president, Alton Bennett is a longtime ACORN activist, as is board member Dorothy Amadi.

HUD acknowledges that the grant money came out of fiscal 2010 appropriations. That's a big problem. The funding prohibition in Public Law 111-117, signed by President Obama on Dec. 16, 2009, is quite specific:

Division A – Section 418. None of the funds made available under this Act *or any prior Act* may be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, or allied organizations. [emphasis added]

Two months before the \$79,819 grant, HUD withheld a \$461,086 grant to AHCOA. At the time HUD spokesman Jereon M. Brown said the amount, left over from an unexpended portion of a block of funds from fiscal 2005, "was de-obligated and recovered." In other words, HUD was rescinding the larger grant because of the funding ban. The Obama administration was choosing to obey the law when it disallowed the \$461,086 grant. So why ignore the law two months later?

ACORN is also using indirect means to secure federal tax dollars.

AHCOA in San Antonio, Texas, will receive an undisclosed percentage of a \$619,696

federal grant. The subgrant comes from a pool of funds given to the Texas Department of Housing and Community Affairs from the federal National Foreclosure Mitigation Counseling (NFMC) program. Again, AHCOA claims that it has severed its ties to ACORN and, accordingly, is not subject to the funding ban.

It should come as no surprise that individuals can make use of a nonprofit legal entity, then dissolve it, and reincorporate a new organization in its place. The advantages of using a corporation to carry on business have long been well-understood. However, in the case of ACORN what's good for business is bad for Americans as citizens and taxpayers.

Matthew Vadum is Senior Editor at Capital Research Center.

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Your contribution to advance our watchdog work is deeply appreciated.

Many thanks.

Terrence Scanlon
President

BrieflyNoted

George Soros has spent the last few years demanding a regulatory crackdown on the financial sector that allowed him to become a billionaire 14 times over. Soros got his wish in 2010 when Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act. Now he doesn't want to comply with the law's new disclosure rules. Soros objects to the Securities and Exchange Commission and the public scrutinizing his business dealings. Taking advantage of a loophole in the law, Soros is closing his \$25 billion Quantum hedge funds to investors outside his family.

The **NAACP** is giving **ACORN** a run for its money. **Lessadolla Sowers**, an NAACP official in Tunica County, Mississippi, has been sentenced to five years imprisonment for ten counts of voter fraud. Sowers cast ballots in the names of 10 actual people, four of whom were dead at the time.

Pressure. Protests. Picketing. This is how it begins. The Canadian branch of ACORN appears to be gearing up to shake down **Money Mart**, a check cashing and payday loan company, ACORN is campaigning against the company in Vancouver, British Columbia, claiming that it charges exorbitant fees to transfer money to Third World countries like Somalia and Kenya. Of course ACORN never mentions the high operating costs of doing business in dangerous, corrupt, and politically unstable parts of the world.

MoveOn is blaming fiscal conservatives and the Tea Party movement for the **Standard & Poor's** downgrade of the U.S. government's credit rating. When S&P cut its rating from AAA to AA-plus for the first time ever it cited the political deal to raise the national debt ceiling by \$2 trillion without any guarantee of spending cuts as evidence of policymakers' refusal to deal with the government's spending addiction. But even though conservatives lost the debt ceiling battle, MoveOn claims "tea party Republicans" chose "extremist posturing" over "responsible leadership" and that the deal "risks throwing us right back into recession." No over has ever accused MoveOn of being logical.

Elsewhere in the radical echo chamber, the extreme-left **Institute for Policy Studies** blames the downgrade on the Tea Party too, and like MoveOn, avoids explaining why. "The U.S. government and our global economy are largely controlled by Wall Street," writes community organizer **Noel Ortega**, who is coordinator of the IPS project, the New Economy Working Group. "This sadistic relationship must end if there is to be any consequential restructuring of our economy," he writes. What's his solution? Ortega embraces "making the super rich and the large corporations pay their fair share in taxes."

Under legislation approved by the Knesset, nonprofits in Israel could forfeit tax benefits or opportunities to seek government contracts if they back boycotts against the country. The **Association for Civil Rights in Israel** calls the law "an antidemocratic step" aimed at chilling public discourse. The legislation's sponsor, **Zeev Elkin**, said it was needed because "calls to boycott the State of Israel increasingly have come from within our own midst."