

ORGANIZATION TRENDS

ACORN Lives!: The Ban on Federal Funding Expires

by Matthew Vadum

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By Matthew Vadum (*Organization Trends*, November 2010 [PDF here](#))

Summary: ACORN temporarily lost its federal grants and is lying low, but its Project Vote affiliate is still registering voters—even though its leaders are on trial for violating state election laws. The voter mobilization effort is being led by an ACORN official under indictment in Nevada for conspiracy to violate election laws. Project Vote is also working with “rebranded” ACORN state chapters that are waiting to reemerge after the November election. ACORN is expanding overseas to shake down Wal-Mart and other U.S. businesses in emerging markets like India. Will the federal ban on grants to ACORN be renewed? Stay tuned.

Like a zombie in a horror movie, ACORN is *alive*! The Association of Community Organizations for Reform Now staged an elaborate prank on April Fool’s Day by pretending to die. That’s when chief organizer Bertha Lewis said the group planned to dissolve its national structure. But ACORN remains in business and

Lewis continues to send out direct mail solicitations for funds. (ACORN was profiled in the November 2008 editions of *Foundation Watch* and *Labor Watch*.)

ACORN closed many of its offices, but Lewis is working with a skeleton staff to reorganize the empire of leftist activism. Investigators for the House Oversight and Government Reform Committee say Lewis is consolidating power and hoarding the group's assets. They estimate that ACORN has \$20 million in cash in more than 800 bank accounts and that its affiliates hold another \$10 million.

While ACORN currently operates below the radar, it plans to resurface under a new name after the upcoming elections, according to activist John Atlas, author of *Seeds of Change*, a book sympathetic to ACORN. Meanwhile, ACORN chapters in at least 13 states and the District of Columbia are changing their names and seeking separate nonprofit status as 501c4 advocacy groups. (See ACORN Rebranding Chart at page 5.)

Atlas elaborated on ACORN's plan during a panel discussion in June at the left-wing "America's Future Now" conference. "The good news is that a lot of people who were involved in ACORN, members and leaders as well as their allies, are organizing in over a dozen states to resurrect ACORN using its model, focusing on the same constituency, learning from ACORN's strengths as well as its mistakes. So it is happening."

Project Vote: Amassing Money and Preparing for 2012

Project Vote, ACORN's scandal-plagued voter mobilization division, remains open for business. Project Vote has been part of the ACORN network since at least 1992 when Barack Obama ran its highly successful Illinois voter drive to

elect Democrat Carol Moseley Braun to the U.S. Senate. Project Vote continues to operate out of ACORN's Washington, D.C. headquarters, which earlier this year hosted a meeting at which another "new" ACORN group was organized. The group, Communities United, is active in the District of Columbia and Maryland.

Inside sources say Project Vote is lying low during the current election cycle and plans to return in full force for President Obama's reelection campaign in 2012. Earlier this year I was told that Project Vote was having a banner year despite ACORN's troubles and may be raking in *more* money than in 2008. According to its 2008 tax return, Project Vote (formal name: Voting for America Inc.) received \$14,635,002 in contributions and grants that year.

Project Vote says it is working with at least eight groups on voter mobilization drives in battleground states. One of those groups is Pennsylvania Neighborhoods for Social Justice (PNSJ), a "new" group operating out of ACORN's offices on Philadelphia's North Broad Street.

Longtime ACORN national board member Carol Hemingway is on the board of PNSJ and its sister nonprofit, Pennsylvania Communities Organizing for Change (PCOC). Both nonprofits filed their incorporation documents on Jan. 8, 2010.

Not until long after the 2010 elections will we learn whether Project Vote matched its earlier \$14 million war chest and how it used the money. That's because nonprofit tax returns generally don't become public until one or two years after they file with the IRS.

Guess Who's Running ACORN's Voter Drive?

Amy Busefink is an ACORN employee who is currently under indictment in Nevada for violating election laws. Guess what? She is leading Project Vote's 2010 get out the vote (GOTV) drive.

Her official Project Vote biography says:

"As Project Vote's Field Director, Amy Busefink is responsible for the development and execution of field activities across Project Vote's many program areas. Working with the Election Administration program, she works to develop field strategies for moving issues in several states, including the preregistration of 16 and 17-year-old citizens and voter registration on high school campuses. Over the last two years, Ms. Busefink has participated in the successful fight against legislation that creates barriers to voters, including photo ID efforts in Missouri. She continues to develop voter participation and voter registration field programs, utilizing new and exciting technology for Get-Out-the-Vote efforts."

The bio adds that Busefink "came to Project Vote as its national voter registration director in June 2006, when she assumed responsibility for Project Vote's 2006 voter registration program." She also "ran field operations for Project Votes [sic] 2008 voter registration program, *which collected 1.1 million applications.*" [emphasis added]

Well, yes, ACORN and Project Vote did collect more than one million voter registration applications in 2008, but one detail is missing: 400,000 applications "were rejected by election officials for a variety of reasons, including duplicate registrations, incomplete forms and fraudulent submissions." (New York Times, Oct. 24, 2008)

Why does Project Vote acknowledge on its website that a potential felon is running its GOTV effort? Perhaps ACORN thinks no one will notice that she has been indicted for criminal election law violations in Nevada.

Busefink came to the attention of authorities in October 2008 when Nevada law enforcement officials executed a warrant to seize computers and documents in ACORN's Las Vegas office. In May 2009, Nevada's Attorney General, Catherine Cortez Masto, and Secretary of State Ross Miller, both Democrats, made public voter registration-related charges against two senior ACORN employees—Busefink, ACORN's deputy regional director at the time, and Christopher Edwards, then ACORN's Las Vegas field director. Both were implicated in a massive conspiracy in which they *and* ACORN as a corporate entity were charged with violating election law. Edwards pleaded guilty and has turned state's evidence. At the time of writing, the trial against ACORN and Busefink was scheduled to begin on Nov. 26, 2010.

ACORN complained that the raid was a “stunt” calculated to frustrate efforts to register minority voters. The group further said that it was following strict quality assurance procedures to detect fraudulent registrations, a boast that Las Vegas chief elections officer Larry Lomax called “pathetic.” Lomax pointed out that ACORN gave voter registration jobs to 59 inmates from a work-release program and that several of the inmates who were made voter registration supervisors had gone to prison for identity theft.

The state's charges list 26 felony counts of voter fraud and 13 of providing unlawful extra compensation to those registering voters, a practice forbidden under Nevada law because it incentivizes fraud. The complaint says voter registration canvassers were paid between \$8 and \$9 an hour and that their continued employment was conditioned on registering a quota of 20 voters per shift.

“From July 27 through Oct. 2 ACORN also provided additional compensation under a bonus program called ‘Blackjack’ or ‘21+’ that was based on the total number of voters a person registered.” Canvassers bringing in 21 or more completed forms per day would receive a \$5 bonus. The complaint says Edwards created the illegal bonus scheme and that “ACORN timesheets indicate that corporate officers of ACORN were aware of the Blackjack bonus program and failed to take immediate action to stop it.”

Starting later this month Project Vote will have some explaining to do.

Groups that Work with Project Vote

Project Vote says that in 2010 it is “working with community-based nonprofit leaders to reach low-propensity voters in Arkansas, Colorado, Connecticut, Florida, Kentucky, Illinois, Michigan, Missouri, Ohio, Pennsylvania, Texas, and Wisconsin.”

Besides the rebranded and newly incorporated ACORN group Pennsylvania Neighborhoods for Social Justice, Project Vote’s partner groups this year are the Colorado Progressive Coalition, Florida Consumer Action Network, Jobs with Justice, Michigan Forward, Missouri ProVote, Ohio Voice, and Wisconsin Voices. They represent a cross-section of the kind of groups that will do whatever it takes to expand the base of left-wing voters.

**Colorado Progressive Coalition*

A well-organized and well-funded infrastructure of “progressive” organizations is responsible for Republicans’ fall from power in Colorado, reports former state representative Rob Witwer in his book ***The Blueprint: How the Democrats Won Colorado (and Why Republicans Everywhere Should Care)***. The Colorado Progressive Coalition is an important part of that infrastructure. Big donors to the group include the Tides Foundation (\$302,500 since 2001), Needmor Fund (\$180,000 since 1999), and Gill Foundation (\$174,800 since 2003).

*Florida Consumer Action Network (FCAN)

FCAN is another left-leaning but much smaller state coalition of grassroots groups affiliated with the Consumer Federation of America and US Action. The group insists that voter fraud is a myth. “It just simply does not happen” said FCAN director Bill Newton, who argues that requiring people to produce identification when they vote is racist. “The intent is keeping certain people from voting,” he has said. FCAN is an active supporter of Florida Amendments 5 and 6, ballot initiatives funded by liberal special interests, including ACORN, to redraw state legislative districts.

*Jobs with Justice Education Fund

This front group for organized labor reports \$1.6 million in 2009 annual revenue, which allows director Sarita Gupta to organize protests and demonstrations against “corporate greed.” It lists as “Friends & Allies” ACORN, the late Saul Alinsky’s Industrial Areas Foundation, Rev. Jim Wallis’s Sojourners magazine, the Association of Trial Lawyers of America, and the small ‘c’ communist National Lawyers Guild and Center for Constitutional Rights.

Big JwJ funders include the Ford Foundation (\$1,780,000 since 2002), Rockefeller Foundation (\$1,685,000 since 2000), and the Nathan Cummings Foundation (\$1 million since 2001). The Woods Fund of Chicago, whose past board members include Barack Obama and Bill Ayers, has given Jobs with Justice \$60,000 since 2005.

*Michigan Forward

Founded in Detroit in 2008, Michigan Forward aims to be an urban think tank, an unlikely partner in Project Vote's GOTV drive. In late 2009 it reported it had not yet received tax-exempt status from the IRS.

*Missouri ProVote

ACORN is listed as a "board member" on the 2008 tax return of the Missouri Progressive Voter Coalition, coalition of 40 community groups and labor unions. Other board members include Americans for Democratic Action, Planned Parenthood, and units of AFSCME, the American Federation of Teachers, Communications Workers of America, SEIU, and the Teamsters. The Tides Foundation has given Missouri ProVote \$20,000 since 2000.

Like ACORN, Missouri ProVote is a magnet for vote fraud felons and political extremists. Deidra Humphrey, who registered voters for ACORN and Missouri ProVote in 2008, was convicted of mail fraud for forging voter registration cards for nursing home residents. Tony Pecinovsky, a ProVote St. Louis area board member, is also Missouri/Kansas District Organizer of the Communist Party USA, in addition to his work with Jobs with Justice and the Communications Workers of America.

*State Voices

An umbrella group for 600 left-wing organizations in 16 states, State Voices was founded in 2005 by “state and local organizations dedicated to winning shared policy and civic engagement victories and building long-term power.”

One notable member of its board is Ken Grossinger, a protégé of Marxist academic Richard Cloward, who with his wife Frances Fox Piven devised the strategy bearing their names that seeks to flood government with impossible demands in order to force a radical transformation of society. Grossinger is also on the board of Social Policy, an ACORN magazine, and he helped to found the Committees of Correspondence, a Communist Party USA (CPUSA) splinter group. He was previously director of legislative field operations for the AFL-CIO and is now executive director of the CrossCurrents Foundation. (See *Foundation Watch*, October 2010)

State Voices has received grants totaling \$932,100 from the Tides Foundation (since 2004) and \$100,000 from George Soros’s Open Society Institute (2007). It received grants totaling \$3.4 million from the Beldon Fund, a leftist grantmaker founded by the founders of Steelcase office furniture. The Fund voluntarily ceased operations in May 2009. During its 10-year existence, it distributed \$120 million in grants, including \$1 million to ACORN and \$250,000 to the American Institute for Social Justice, an ACORN affiliate (2006).

*Ohio Voices

Once called the Center for Civic Participation, Ohio Voice is part of State Voices. Interim director Gregory T. Moore is president of GTM Consulting Services LLC, a “political consulting firm that specializes in program development, public-policy analysis and election services,” according to the State Voices website. GTM’s clients include the Democratic National Committee’s Voting Rights Institute and SEIU. Moore was formerly chief of staff and legislative director to House Judiciary Committee chairman Rep. John Conyers (D-Mich.) as well as executive director of the NAACP National Voter Fund, whose program was plagued by voter registration fraud.

*Wisconsin Voices

The director of this State Voices affiliate is Linda Honold, previously chairman of the Wisconsin Democratic Party and an executive director of Citizen Action of Wisconsin.

“Rebranding” ACORN

ACORN state affiliates have been rapidly changing their names and filing new nonprofit applications with the IRS to avoid the taint of the multiple scandals that have weakened ACORN. For instance, ACORN’s California chapter quickly rebranded itself the Alliance of Californians for Community Empowerment (ACCE). Clearly, it wants to keep the tax dollars and foundation grants flowing into its coffers. The chapter, which boasts 37,000 dues-paying members, is critical to the ACORN empire.

ACCE claims that it is “up and running as an independent state-wide organization with no legal, financial or structural ties to ACORN.” We know ACCE is lying.

How do we know this? For starters, ACCE’s executive director is Amy Schur. Schur is a loyal 20-plus year ACORN employee who has shown her willingness to get her hands dirty for the cause. Marcel Reid, a former member of ACORN’s national board, said Schur is corrupt and hopelessly tainted. “If there was true reform, why would Amy Schur be the head of ACCE?” she said.

Reid, who with other ACORN whistleblowers formed a group called ACORN 8, was expelled from ACORN in 2008 when she tried to investigate a nearly \$1 million embezzlement by founder Wade Rathke’s brother who was in charge of the group’s finances. According to the ACORN 8, Schur participated in an eight-year long cover-up of the theft whose exposure in 2008 led to Rathke’s ouster. Not long after the theft became public knowledge the group’s major financial backers, including the Catholic Campaign for Human Development, publicly severed their ties to ACORN.

Insiders say Schur has intimate knowledge of how ACORN operates. Schur has been in charge of the group’s national campaigns and may testify in November in Nevada when ACORN goes on trial for illegally paying canvassers bonuses to register Nevada voters in the 2008 presidential campaign. Under cross-examination Schur may be forced to unearth many of the group’s skeletons.

ACCE registered with the California secretary of state’s office on Dec. 8, the day after an “independent” review by former Massachusetts Attorney General Scott Harshbarger claimed to clear ACORN of wrongdoing. Interestingly, ACCE’s office address is 3655 S. Grand Ave., Suite 250, Los Angeles 90007. That address happens to be the address of California ACORN’s headquarters.

ACORN is a tangled mess of interlocking directorates and affiliated tax-exempt groups. But there is no reason to believe ACCE won't be centrally controlled by ACORN, just as other ACORN affiliates are.

Sleight-of-hand is how ACORN always does business. It plays a game of musical chairs. When an affiliate does something admirable, ACORN emphasizes its ties. When an affiliate does something wrong, ACORN plays dumb. Its byzantine structure lets it claim plausible deniability.

Such chicanery is standard operating procedure at ACORN, according to the group's lawyer Elizabeth Kingsley. In an internal legal memo in 2008 Kingsley described the hoops that ACORN jumps through to create the façade that its affiliates are independent of each other.

Key ACORN affiliates argue that they are not “‘affiliated,’ ‘related,’ or ‘controlled’ by or with each other, for various legal purposes, while allowing actual control to be exercised in a highly coordinated manner,” she wrote. ACORN has “an organizational culture that resembles a family business more than an accountable organization.”

Longtime ACORN ally Rep. Maxine Waters (D-Calif.) has welcomed ACCE to the community organizing fold. But Fannie Brown, a former California state delegate on ACORN's national board, is skeptical of the “new” group. “They started washing it a little bit and then they poured some bleach on it and kind of polished it up a little more to make it look good,” said Brown, who with Reid is a member of ACORN 8.

Congress's Ban on Funding ACORN Lapses

ACORN Housing is the ACORN network's primary vehicle for getting its hands on federal tax dollars, and it too recently acquired a new name: Affordable Housing Centers of America. But in September federal investigators recommended that by whatever name it operates government funding for it be cut off immediately. The inspector general for the Department of Housing and Urban Development found that ACORN Housing could not account for millions of dollars in federal grants and appeared to have committed massive fraud.

The investigators must have felt it was necessary to urge a speedy funding cutoff because the federal government's prohibition on funding ACORN is *not* a permanent ban. Because the ban was attached to annual appropriations bills it ran out at the end of September.

Many Americans –and some lawmakers–believe Congress permanently cut off ACORN from funding last year, but this belief is unfounded. Quirks of parliamentary procedure and the complexity of the appropriations process explain the confusion. The funding ban that passed in fall 2009 is contained in legislation that covers only the fiscal year that ended on September 30 (i.e. Public Law 111-68).

That the funding ban is not permanent was first noticed by ACORN's lawyers and by Judge Roger J. Miner. Miner was the appellate court judge who in August overturned Judge Nina Gershon's perverse ruling that Congress's funding ban was unconstitutional because it punished ACORN without a trial. Miner noticed that all the appropriations laws passed by Congress that prohibited grants to ACORN "or any of its affiliates, subsidiaries, or allied organizations" applied only to federal spending that ended on Sept. 30, 2010.

Stop-gap legislation signed into law by President Obama on Sept. 30 that allows the government to continue spending money until new appropriations are passed by Congress does *not* contain the ACORN funding ban. The Trans-

portation-HUD appropriations bill does prohibit funding for ACORN during the fiscal year that begins on Oct. 1, 2010, but it's anyone's guess whether lawmakers will pass the bill during the current "lame duck" session with the ACORN funding ban intact.

The Obama Administration Stonewalls

Meanwhile, the Obama administration is stonewalling Capital Research Center's Freedom of Information Act (FOIA) request that seeks correspondence between HUD Secretary Shaun Donovan and ACORN. HUD rules state that FOIA requests must be answered within 45 days but our request has been pending for seven months.

The request was filed because Donovan is a longtime ally of ACORN. He worked closely with ACORN for five years when he was New York mayor Michael Bloomberg's housing development commissioner.

"Perhaps no administration official has had more interaction with Acorn than" Donovan, the New York Times reported (Oct. 16, 2009). ACORN chief organizer Bertha Lewis admitted as much. "We grew to respect him, and he grew to respect us."

Donovan has remained silent about his relationship with ACORN.

ACORN—and Wade Rathke—Go Worldwide

Whatever happens to ACORN stateside, the group's overseas affiliates are thriving – with the help of the Obama administration.

Earlier this year the Obama administration helped the group spread the gospel of left-wing community organizing in India. President Obama's ambassador to India, Timothy J. Roemer, met with ACORN India's representative Vikram Adige and lent his name and the prestige of the U.S. government to Adige's efforts to organize rag-pickers in Mumbai (formerly known as Bombay). Roemer is a former Democratic congressman who represented an Indiana district.

ACORN India reports to ACORN International, which also has a new name: Community Organizations International. ACORN International is as an umbrella organization for the various national organizations conducting ACORN's business outside the U.S. Its Facebook website describes the group's mission as "building community groups in low income communities across the world to organize for power." In reality, the group was created to allow ACORN to apply its corporate shakedown techniques against Western corporations as they expand into rapidly developing markets such as India.

ACORN International is active in Argentina, Canada, Dominican Republic, Honduras, India, Kenya, Mexico, and Peru.

ACORN International is headed by ACORN founder Wade Rathke. Like a modern-day Karl Marx in exile, Rathke is doing his best to redistribute wealth around the globe using the shakedown techniques he mastered in the U.S.

"Countries like India are the next frontiers of significant market expansion for multi-national corporations; and these corporations are now starting to apply extreme pressure on the government of India for unfettered access," says the ACORN India website. "[The] Indian market is facing an onslaught of both foreign and domestic corporate retailers, the most notable of which is Walmart."

ACORN has long set its sights on Wal-Mart, which like ACORN, was founded in Arkansas. ACORN created an affiliate, WARN (Wal-Mart Alliance for Reform Now), specifically to organize unions in Wal-Mart stores.

Rathke has traveled extensively in India using the same aggressive, in-your-face organizing tactics that ACORN uses in the U.S. ACORN India's website says the group helps to defend the "socialist legacy" of Jawaharlal Nehru, prime minister of India from 1947 to 1964. That legacy is "now in danger from the onslaught of the march of global corporatism."

ACORN's national board fired Rathke as its "chief organizer" in June 2008 after discovering his role in covering-up his brother's \$1 million embezzlement of ACORN funds. But this separation is belied by Rathke's ongoing involvement in ACORN International, another entity supposedly "independent" of ACORN. Rathke also remains publisher of ACORN's periodical, Social Policy magazine, and he is chief organizer of United Labor Unions Local 100 in Louisiana, Arkansas, and Texas, a position he has held since 1979. The union local disaffiliated from the Service Employees International Union last fall.

"For better or worse, Rathke plans on spending the remaining years of his life implementing his ACORN vision to an organization that will have influence the world over," Chicago-based blogger Michael Volpe wrote last month.

"When asked if he thought his name would one day be used like Alinsky, as a verb in community organizing, Rathke simply responded, 'yes.'"

Matthew Vadum is Editor of Organization Trends.

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Matthew Vadum

The author of *Subversion Inc.: How Obama's ACORN Red Shirts are Still Terrorizing and Ripping Off American Taxpayers* (WND Books, 2011), Vadum writes and speaks widely on the now-defunct Association of Community...

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