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Committee on Oversight and Government Reform
Darrell Issa (CA-49), Ranking Member



**Follow the Money: ACORN, SEIU and their
Political Allies**

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I. Executive Summary

Since the first ACORN Report issued on July 23, 2009, the Oversight and Government Reform Committee staff has reviewed over 50,000 pages of documents: from ACORN offices in California and Oklahoma, from ACORN insiders in Missouri, Colorado, New York and Louisiana, and from Secretary of State investigations in nearly every state in the continental United States. Ranking Member Darrell Issa's leadership of the Committee's ACORN investigation has been enhanced by the efforts of several Members of the Committee: Representative Jim Jordan (R-OH) requested ACORN election documents from the Secretary of State in Ohio,¹ Representative Patrick McHenry (R-NC) was the first to dispute the Census Bureau's relationship with ACORN,² Representative Jason Chaffetz (R-UT) used the example of ACORN's corruption to propose legislation requiring the Census Bureau to partner with the U.S. Post Office,³ and Representative Dan Burton (R-IN) called on Chairman Towns to conduct an investigation of ACORN and its affiliate corporations.⁴ Additionally, Committee staff has worked with investigators from several federal Inspector General Offices, the Government Accountability Office (GAO), the Office of Legislative Affairs at the United States Department of Justice, the Louisiana Department of Justice and several local and state-level prosecutor's offices. Attorneys from the Kings County District Attorneys office, which is currently investigating ACORN in New York, told the Committee staff that the first ACORN Report had been "invaluable" to their investigation. David Caldwell, the Assistant Attorney General of Louisiana, stated that his office was able to develop probable cause in its investigation in large part due to the findings of the Oversight and Government Reform Committee Minority Staff.

Since the publication of the first ACORN Report, the House of Representatives passed Congressman Darrell Issa's Motion to Recommit (MTR) to end the federal funding of ACORN, now known as the Defund ACORN Act. Thereafter, Congress passed and the President signed Section 163 of the Continuing Appropriations Resolution of 2010, Division B of Public Law No. 111-68, which cut federal funds to ACORN. After the Continuing Resolution (CR), Congress passed and the President signed the following laws ending ACORN funding: FY 2010 Consolidated Appropriation Act, Pub. Law 111-117, §§ 418, 534, & 511; Section 427 of the Department of the Interior, Environmental and Related Agencies Appropriations Act of 2010, Pub. Law 111-88; and Section 8013 of the Department of Defense Appropriations Act of 2010, Pub. Law 111-118.

¹ EDITORIAL, *Rep. Jordan wants Ohio to probe plan of ACORN*, COLUMBUS DISPATCH, Nov. 22, 2009, available at: http://www.dispatch.com/live/content/national_world/stories/2009/11/22/dcjord.html? (last visited Feb. 12, 2010).

² Congressman Patrick McHenry, *How ACORN Got Dumped by the Census*, BIGGOVERNMENT.COM, Sept. 17, 2009, available at: <http://mchenry.house.gov/News/DocumentSingle.aspx?DocumentID=145479>.

³ PRESS RELEASE, *Census Should Partner With Post Office, Not ACORN*, June 24, 2009, available at: <http://chaffetz.house.gov/2009/06/census-should-partner-with-post-office-not-acorn.shtml>.

⁴ PRESS RELEASE, *Burton Demands Investigation of ACORN, Sponsors Legislation To Terminate Funds*, Sept. 15, 2009, available at: <http://burton.house.gov/posts/burton-demands-investigation-of-acorn-sponsors-legislation-to-terminatefunds>.

In response to the CR that cut their funding, ACORN sued the United States of America in the Federal District Court in the Eastern District of New York, arguing that the CR constituted an unconstitutional Bill of Attainder, or punishment without the due process guarantees of a judicial trial. Judge Nina Gershon, a federal judge, presided over the case. On December 11, 2009, Judge Gershon issued an injunction against the United States – an order preventing the United State from enforcing the CR – the funding ban against ACORN. However, as the Justice Department argued, the issue was moot because the CR expired December 18, 2009. Fortunately for ACORN, Judge Gershon allowed ACORN to amend its pleadings and challenge all of the anti-ACORN laws, including Public Laws 111-117, 111-88, and 111-118 as unconstitutional bills of attainder. According to the Louisiana Department of Justice, ACORN is nearing financial bankruptcy, as most of its donors have cut ties with the corporation. However, under Judge Gershon’s decision, ACORN will continue to receive taxpayer dollars from the Federal Government. In other words, the American people will have BAILED OUT ACORN.

The first ACORN Report explained how ACORN used a complex organizational structure of overlapping nonprofit community initiatives and political lobbying activities to conceal the partisan political use of taxpayer and private monies originally designated for the public benefit. The report found there was no real separation between ACORN and its affiliates. ACORN is a single corrupt corporate enterprise composed of a series of holding companies and subsidiaries that are financially and operationally dependent upon the main corporation.

This report adds new evidence confirming these previous findings of ACORN’s misconduct in addition to a closer examination of ACORN’s financial transactions and fundraising that define the organization as a political machine.

Committee investigators have identified hundreds of ACORN bank accounts, shell organizations incorporated under different sections of the internal revenue code, and even an ACORN controlled accounting firm (Citizens Consulting Inc.) that helps ACORN obscure the true use of charitable donations and taxpayer funds. Documents and testimony from ACORN whistleblowers reveal that ACORN activities – despite contentions that they are intended to help the poor – fulfill a more self-serving and political purpose for ACORN. ACORN is well aware of the legal problems its political activities create as its own attorneys have acknowledged and outlined the potential for criminal and civil violations in private documents for senior ACORN officials.

Since release of the first report, Committee staff met with insiders from both ACORN and the Service Employees International Union (“SEIU”) in addition to obtaining and reviewing documents from virtually every state, including California, Missouri and Oklahoma.

The following report makes four crucial findings:

First, ACORN and SEIU’s illegal agreements, and the crimes committed in furtherance of these agreements, constitutes a criminal conspiracy.

ACORN CEO Bertha Lewis, Executive Director Steven Kest, and Political Operations Director Zach Polett have actual or apparent authority for ACORN's illegal acts. The Committee's investigation has confirmed previous findings as well as identified a method behind ACORN's criminal activities.

Second, there is a pattern, signature or "trade secret" of corruption common to all ACORN affiliates called "Muscle for the Money."

Muscle for the Money involves using non-profit corporations for electioneering activities and an SEIU strategy to threaten corporations and banks into brokering deals for ACORN's financial benefit. SEIU and Project Vote used litigation to force demands from government officials. ACORN, through Project Vote, threatened State Secretary of State offices with lawsuits, thus forcing political compromises at the expense of taxpayers.

SEIU and ACORN are substantially intertwined. SEIU and ACORN jointly manage SEIU Local 100; SEIU Healthcare Illinois Indiana; SEIU Local 21A; SEIU Local 32BJ; SEIU Local 52BJ; SEIU Local 880; and SEIU Local 1199. SEIU aided and encouraged ACORN to put pressure on banks, to use its federally-funded affiliates to target political candidates, and to threaten public officials with litigation. ACORN took the lead in these activities and SEIU was the willing accomplice. The nexus between SEIU and ACORN constituted an agreement between both organizations to engage in fraudulent activities, which ACORN perpetuated through the use of its affiliates.

The Committee investigation found ACORN prepared for these fraudulent activities by issuing membership letters documenting which banks caved-in to ACORN's pressure; through political plans targeting congressional districts to get sympathetic candidates elected, and via emails and legal complaints reflecting ACORN's ability to coerce and compel public officials to meet certain demands. These findings reflect a pattern, signature or trade secret common to all ACORN affiliates. This signature crime is known as Muscle for the Money.

ACORN has received **\$5,609,338.00** dollars from SEIU. Anthony Hill, a State Senator from Florida, was simultaneously employed by SEIU and ACORN. Newly reviewed documents show Senator Claire McCaskill (D-MO), former Governor Rod Blagojevich (D-IL), and Congressman Gerry Connolly (D-VA) have received the support of SEIU's ACORN affiliates. Insiders claim that, despite SEIU Treasurer Anna Burger's statement to the contrary, SEIU has never cut ties to ACORN.

Third, ACORN, as a corporation, is responsible for thousands of fraudulent voter registrations throughout the United States.

Responses from various state election offices show that ACORN's late filings of voter registration cards and the sheer amount of fraudulent cards obstructed election administration efforts in many states. Fraudulent voter registrations are not isolated incidents; they reflect ACORN's criminal motive to compromise the system of free and fair elections promised in the Constitution of the United States.

Fourth, ACORN contributed to the risky lending that led to the financial collapse.

ACORN drafted language to loosen underwriting standards and decrease down payments in the housing industry, paving the way for the high rate of subprime loans millions of Americans eventually defaulted on.

ACORN used provisions in the Community Reinvestment Act of 1977 that allowed community groups to challenge bank mergers and acquisitions if a bank did not adequately invest in its own community. These challenges, which featured ACORN's standard intimidation tactics, successfully forced banks to make lending agreements with ACORN Housing. If banks refused ACORN's demands, they jeopardized approval of mergers in a timely manner. ACORN Housing moved to become a conventional service provider for the loans. ACORN reaped profits from **over a billion dollars** in loans to low-income neighborhoods. Because of the policies and financial instruments developed, in part through ACORN's lobbying activities, borrowers eventually defaulted on the loans. The end result was the bursting of the housing bubble.

ACORN Housing received a total of **\$39,925,620.13** from Bank of America, JPMorgan Chase & Co., CitiBank, HSBC, CapitalOne, and SunTrust. These lenders and banks also provided ACORN with grants, address and bank account information of at-risk homeowners so ACORN could provide free counseling services. Instead, ACORN used the address and bank account information to target struggling Americans who would be signed up as dues-paying members of ACORN. ACORN's membership recruiting brought in \$48 million a year for ACORN—a boon for their Muscle for Money program.

II. Findings

- There is no distinction between ACORN and any of its affiliates. Affiliates share staff, funds, office space, responsibilities, and common controls—there is no real separation between the parts, making it impossible to consider them as truly separate organizations. All of ACORN’s non-profit affiliates give substantial amounts of money to Citizens’ Consulting, Inc., an arm of ACORN that commingles funds from ACORN’s nonprofit organizations and transfers this money to organizations to use for political purposes. ACORN receives large amounts of money from its nonprofit affiliates without making substantial returns to the affiliates. An examination of the accounting documents shows the American Institute for Social Justice (AISJ) transfers a particularly large amount of its funds, which come in part from the federal government and other ACORN affiliates receiving federal money, to ACORN’s national organization, presumably for political purposes.
- There is a pattern, method or “trade secret” of corruption common to all ACORN affiliates called “Muscle for the Money.” One method is the use of litigation and commingled funds to engage in prohibited electioneering activities. The other method is an SEIU-funded enterprise involving threats and litigation aimed to secure ACORN’s corporate financing. ACORN filed corporate income tax with the Internal Revenue Service and failed to file a Form 990, a requirement for non-profit status in several states where ACORN does business. In some states, ACORN fraudulently informed state Secretary of States that it was tax-exempt in order to avoid state corporate taxes.
- SEIU and ACORN are not only financially but also politically codependent. ACORN directly runs two of the most prominent SEIU locals. ACORN has received several million dollars from SEIU. SEIU shares offices with ACORN in nine cities across the United States, utilizing SEIU staff and resources to advance both organizing and political goals.
- SEIU/ACORN has leveraged its size, influence, and wealth to advance its policies and agendas through a complicated web of political connections, backroom negotiations, public relations, intimidation and litigation. SEIU/ACORN has spent millions of dollars and man hours supporting union friendly federal and state candidates and legislation. These connections are then used to entice employers into neutrality agreements with offers of government subsidies and union concessions.
- ACORN Housing Corporation (AHC) used agreements with banks to provide a variety of benefits for their organization, creating policies that were not necessarily beneficial to and sometimes exploited, the low-income citizens they claim to help.

- The AHC used the Community Reinvestment Act provisions and coercive threats to force banks into lowering loan underwriting standards and entering into agreements that funneled profits to ACORN.

III. Timeline of the House Oversight Committee ACORN Investigation

On February 3, 2009, ACORN member Marcel Reid communicated to the staff of the Committee on Oversight and Government Reform in the House of Representatives. Marcel Reid, the president of the Washington, D.C. ACORN chapter and a member of the ACORN 8—a non-profit reform group of former high ranking ACORN employees terminated for attempting to audit the corporation—explained to the staff her concern that ACORN continues to use federal funds to support its corrupt enterprise. Marcel Reid sent documents directly to the Oversight and Government Reform Committee and then, together with Anita MonCrief, a former political operations staff member for ACORN and Project Vote, met with Oversight and Government Reform Committee staff on the afternoon of February 10, 2009 to tell their story and discuss their findings concerning ACORN.⁵

Soon after, Michael McCray, an attorney and member of the ACORN 8, also reached out to the Committee staff to discuss ACORN’s suspect dealings. By February 19, 2009, a full investigation of ACORN was opened, with staff having received hundreds of documents from the ACORN informants. Throughout February and early March, the Committee staff interviewed several sources who had knowledge about ACORN and its activities, in addition to speaking with experts from the Congressional Research Service and Government Accountability Office concerning tax and campaign laws applying to nonprofit corporations.

On March 19, 2009, the House Committee on the Judiciary, Subcommittee on the Constitution, Civil Rights, and Civil Liberties held a hearing entitled, “Lessons Learned From the 2008 Election,” in which Heather Heidelbaugh, a Pittsburgh attorney who filed suit against ACORN, discussed ACORN’s fraudulent voter registration activities. It was this testimony that caused staff to expand the scope of the investigation, and instead of focusing on just ACORN’s involvement in voter registration fraud, staff began investigating the business structure of the corporation and its affiliates and whether ACORN’s voter registration efforts were not somehow indicative of fraud within the entire organization. The Committee staff, studying various corporate legal theories regarding vicarious liability, enterprise liability, and the corporate form, revealed no distinction between the acts of ACORN’s corporate leadership and the acts of ACORN’s various affiliates.

The Committee staff began to study ACORN and its numerous affiliates in terms of its compliance with various laws and regulations, including the Internal Revenue Code and the Federal Election Campaign Act of 1971, as well as whether ACORN and its affiliates were maintaining appropriate firewalls and segregated accounts. By the end of March, the Committee staff had begun drafting a report focusing on the complexities of ACORN’s corporate structure as an explanation for ACORN’s bad acts. Throughout

⁵ See Appendix, § C.

March and until the end of May, the Committee staff constructed a detailed analysis of ACORN and drafted document request letters to various federal agencies.

On May 27, 2009, the Committee staff obtained a memorandum Elizabeth Kingsley, Counsel to ACORN and a partner at Harmon, Curran, Spielberg & Eisenberg L.L.P., wrote to ACORN and its affiliates concerning its potentially unlawful activities. The memorandum was used as a background for the Committee's investigation as well as a guide for requesting documents from federal agencies. Throughout June and July, the Committee staff developed the first ACORN report, examining the organization's structure.

On July 23, 2009, the Committee's report, "Is ACORN Intentionally Structured As a Criminal Enterprise?" was released to the public. On July 24, 2009 Committee Ranking Member Darrell Issa requested the House Committee on the Judiciary, the House Committee on Education and Labor, and the House Committee on Ways and Means conduct hearings and further investigate ACORN. By the end of July, the Committee staff found that ACORN was not a tax-exempt corporation, but paid corporate income taxes, thus further revealing the organization's calculated intentions to engage in partisan politics.

By December 2009, Committee Ranking Member Darrell Issa sent nearly 100 letters, including letters to the directors of the Corporation for National and Community Service, the Department of Labor, the Small Business Administration, the Department of Housing and Urban Development, the Internal Revenue Service, the Federal Election Commission, the Election Assistance Commission, and the Department of Homeland Security. Ranking Member Issa together with Senator Susan Collins (R-ME), Ranking Member of the Senate Committee on Homeland Security and Governmental Affairs, requested investigations from the Inspector Generals offices of all eight government agencies.

Ranking Member Issa, along with Financial Services Ranking Member Spencer Bachus (R-AL) and Judiciary Ranking Member Lamar Smith (R-TX), requested documents from the fourteen major banks that had funded ACORN. Additionally, Ranking Members Issa and Smith demanded Attorney General Eric Holder instruct the Department of Justice to conduct its own investigation into ACORN. Ranking Member Issa also sent letters to the lobbying, ethics and elections divisions of all 50 Secretary of States offices requesting documents pertaining to ACORN and its affiliates.

On December 1, 2009, Ranking Members Issa and Smith co-chaired a forum on ACORN which included the following witnesses: Assistant Attorney General David Caldwell of Louisiana, Indiana Secretary of State Todd Rokita, former ACORN employee Anita MonCrief, and former Department of Justice and FEC official Hans A. von Spakovsky. The following findings were made at the December 1 hearing:

- There needs to be oversight over the Department of Justice and Federal Bureau of Investigation for failing to address and put an end to ACORN's illegal activities.

- Indiana Secretary of State Todd Rokita informed the U.S. Attorneys Office of the Northern District of Indiana as well as the FEC about violations of federal law in Indiana, neither office took any action against ACORN.
- There are 691 bank accounts of ACORN and ACORN affiliates at Whitney Bank in New Orleans, Louisiana.
- ACORN owns stock at Whitney Bank.
- In 2006, Whitney Bank inexplicably wired several million dollars to an ACORN Bank of America account in San Francisco.
- The City of New Orleans, after Hurricane Katrina, gave ACORN 121 pieces of property which ACORN was to give to low-income families but, instead, ACORN rented out these properties for a profit.
- ACORN Housing owns millions of dollars worth of property.
- ACORN uses its membership drives to raise revenue and build political power.

To date, the Louisiana Department of Justice has issued subpoenas for records from ACORN, Citizens Consulting, Inc. (CCI) – ACORN’s non-profit financial accounting affiliate – and its financial institution, Whitney Bank. According to Assistant Attorney General David Caldwell, a Democrat, “[p]art of the probable cause for the issuance of the subpoena came from the Staff Report entitled ‘Is ACORN Intentionally Structured as a Criminal Enterprise?’ issued by the Committee on Oversight and Government Reform at the U.S. House of Representatives.”⁶ According to Caldwell, “Dale Rathke, brother of founder Wade Rathke, had embezzled up to five million dollars beginning in 1998, and that this embezzlement was never reported to law enforcement . . . [ACORN has] almost 400 entities and over 600 bank accounts.”⁷ The Louisiana Department of Justice has claimed that there is a power struggle and an apparent “civil war,” between the three national ACORN chapters: New York, D.C. and New Orleans. At the center is CEO Bertha Lewis, residing at the National Chapter in New York City, “who has forcefully taken control over all ACORN accounts and is trying to consolidate whatever assets exist.”⁸ Louisiana investigators believe there is approximately \$20 million in cash in 800 bank accounts, ACORN entities own \$10 million worth of property, and the majority of the leftover ACORN assets are likely donor funds that will be consolidated by Bertha Lewis and undoubtedly commingled with other funds against the intent of the donors.⁹

Even with ACORN’s corruption exposed, some Members of Congress who only a few months ago voted overwhelmingly against ACORN may now be trying to restore funding for them. Just last month, Representative Maxine Waters (D-CA) celebrated former ACORN organizer Amy Schur’s recent attempt to reinvent ACORN as the Alliance of Californians for Community Empowerment, saying in a statement, “What a relief to know that the Alliance of Californians for Community Empowerment will be on the scene...I expect great things from this new organization and encourage them to roll up their sleeves and do the hard work that is needed to assist communities throughout

⁶ Testimony of David Caldwell, COMM. OVERSIGHT AND GOV’T REF & COMM. JUD., ACORN FORUM, Dec. 1, 2009, at 1.

⁷ *Id.* at 2.

⁸ *Id.*

⁹ *Id.*

California." ¹⁰ In pending legislation that would enable an expanded government intervention into health care, a proposed amendment would benefit ACORN. ¹¹ The provision would require that six different federal agencies each establish an "Office of Minority Health" and "community and consumer-focused nonprofit groups" that may receive grants to "conduct public education activities to raise awareness of the availability of qualified health plans."¹²

IV. The Anatomy of a Fraud

A. ACORN's Criminal Trade Secret

In the original ACORN Report, Committee investigators sought to determine which individuals owned or controlled ACORN in order to uncover the waste, fraud and abuse of federal funds at the hands of the organization's senior leadership. ¹³ Committee investigators found that individuals including ACORN CEO Bertha Lewis, Executive Director Steven Kest, and Political Operations Director Zach Polett had actual or apparent authority for ACORN's alleged bad acts. The original ACORN Report cited the Eighth Circuit opinion in *HOK Sport, Inc. v. FC Des Moines, L.C.*, to conclude that "[d]isregarding an entity's corporate form by piercing the corporate veil is appropriate if 'the corporation is a mere shell, serving no legitimate business purpose, and used primarily as an intermediary to perpetuate fraud or promote injustice.'" ¹⁴ The ACORN Report therefore found that not only was there no real separation between ACORN and its affiliates (that is to say, ACORN Housing, Project Vote, and CCI are not entities of ACORN but are ACORN), but the ACORN management, including Bertha Lewis, Steven Kest, and Zach Polett, were legally responsible for the acts of all ACORN employees. Steven Kest, ACORN's Executive Director, stated that he, Jon Kest, Madeline Talbott, Keith Kelleher, Mike Shea, Zach Polett, Helene O'Brien, Amy Schur, Liz Wolff, and Beth Butler were on the ACORN management council and knew of Dale Rathke's embezzlement, ¹⁵ yet none of these individuals alerted authorities of the crime. Once the corporate veil is pierced, officers and directors can be found liable as alter egos of the nonprofit corporation. ¹⁶

This report will show that SEIU aided and encouraged ACORN to put pressure on banks, target political candidates, and threaten public officials with litigation. The nexus between SEIU and ACORN constituted an agreement between both organizations to

¹⁰ Evelyn Nieves, *Calif ACORN chapter splits from national group*, SAN FRANCISCO CHRONICLE, Jan. 13, 2010, available at: <http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2010/01/13/state/n084633S73.DTL&type=health>.

¹¹ John McCormack, *ACORN Qualifies for Funding in Senate Health Care Bill*, WEEKLY STANDARD, Dec. 21, 2009, available at:

http://www.weeklystandard.com/weblogs/TWSFP/2009/12/exclusive_acorn_qualifies_for_1.asp.

¹² *Id.*

¹³ *HOK Sport, Inc. v. FC Des Moines, L.C.*, at 935-36; *See also United States v. Bestfoods*, 524 U.S. 51, 62 (1998).

¹⁴ *Id.*

¹⁵ Email from Marcel Reid to Michael McCray (Mar. 24, 2009) (forwarding email from Steven Kest to Ralph McCloud) at 5-6 (ACORN_004785-004786) [hereinafter "Ralph McCloud CCHD"].

¹⁶ §8.30 Revised Model Non-profit Corporation Act

engage in fraudulent activities. The fraudulent activity was compounded by ACORN's activities with and through its affiliates. The Committee investigation found ACORN prepared for these fraudulent activities by issuing press releases documenting which banks caved-in to ACORN's pressure, through political plans targeting congressional districts, and via emails and legal complaints reflecting ACORN's ability to coerce and compel public officials to meet its demands. These findings reflect a pattern, signature or "trade secret" common to all ACORN affiliates.

The original ACORN Report discussed how ACORN uses a complex organizational structure of overlapping nonprofit community initiatives and political lobbying activities to conceal the partisan political use of taxpayer and private monies designated for the benefit of society. Moreover, the previous ACORN Report uncovered evidence obtained from the Form 990's of ACORN affiliate organizations and internal ACORN financial documents that demonstrates how ACORN engages in a shell-game of corporate financing, in which money is transferred from affiliate organizations receiving federal funding to a national ACORN organization that engages in partisan political activities. These money transfers enable ACORN to commingle funds and divert federal monies into partisan activities in violation of federal law.

B. ACORN and SEIU work together as one corporate conglomerate.

FINDING: *There is no distinction between ACORN and any of its affiliates. Affiliates share staff, funds, office space, responsibilities, and common controls—there is no real separation between the parts, making it impossible to consider them as truly separate organizations. All of ACORN's non-profit affiliates give substantial amounts of money to Citizens' Consulting, Inc., an arm of ACORN that commingles funds from ACORN's nonprofit organizations and transfers this money to organizations to use for political purposes. ACORN receives large amounts of money from its nonprofit affiliates without making substantial returns to the affiliates. An examination of the accounting documents shows the American Institute for Social Justice (AISJ) appears to be a shell organization whose purpose is to transfer funds from ACORN affiliates receiving federal money to ACORN's national organization for presumably political purposes.*

Since the last update of the ACORN Report, the Committee has uncovered additional evidence that supports the original report's findings. Our investigation of audits of ACORN affiliates from 1999-2004 obtained from the West Virginia Secretary of State and conducted by the firms of Duplantier, Hrapman, Hogan, and Maher, L.L.P., Spilsbury, Hamilton, Legendre, and Paciera, and WIPFLI, L.L.P. shows the following:

- ACORN and its affiliates are subject to certain common controls that make it unreasonable to consider them separate organizations.
- ACORN non-profit affiliates all give substantial amounts of money to Citizens' Consulting, Inc., an arm of ACORN that commingles funds from ACORN's nonprofit organizations and transfers this money to organizations to use for political purposes.
- ACORN receives large amounts of money from its nonprofit affiliates while giving significantly less back to these affiliates.
- The American Institute for Social Justice (AISJ) appears to be a shell organization whose purpose is to transfer funds from ACORN affiliates receiving federal money to ACORN's national organization for presumably political purposes.
- ACORN files corporate income tax with the Internal Revenue Service yet fails to file a Form 990, a requirement for non-profit status in several states, thus depriving the states of corporate revenue.

Each audit statement of ACORN affiliate organizations, including ACORN Housing Corp. (AHC), Project Vote, and the American Institute for Social Justice (AISJ), contains a statement describing transactions between the audited firm and affiliated organizations. According to this statement, the audited firm and its affiliated organizations “share certain common functions and costs.”¹⁷ Furthermore, the audited firm and its affiliated organizations “are also under certain common controls by individuals who could exercise influence over their day-to-day decisions.”¹⁸ In each of these audit statements, ACORN's national organization is listed as an affiliated organization of AHC, Project Vote, and AISJ.¹⁹

Under the Lobbying Disclosure Act, ACORN as a taxable non-profit corporation, must be separately incorporated, keep separate books, and spend and use resources which are not part of or otherwise paid for by the tax-deductible contributions to its 501(c)(3) affiliate organizations.²⁰ According to the Congressional Research Service (CRS), “[i]n cases where an organization creates an IRC §501(c)(4) organization and an IRC §501(c)(3) organization, the organizations must be legally separate entities, and their activities and funds must be kept separate.”²¹

The Committee staff contacted the Congressional Research Service (CRS) to determine whether similar barriers must be in place to separate the activities and funds of taxable nonprofit corporations and affiliate 501(c)(3) organizations. CRS stated that there was no reason to believe that such activities and funds would not have to be separated in the same way as the activities and funds of 501(c)(3) and 501(c)(4) organizations,

¹⁷ Audit Reports of ACORN Housing Corp. (2000-2004), Project Vote (1999-2003), and American Institute for Social Justice (2000-2004) (on file with author).

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ Jack Maskell, *Lobbying Regulations on Non-Profit Organizations*, CRS RPT. FOR CONG., May 7, 2008 at 6.

²¹ *Id.*

showing that ACORN was not keeping up appropriate firewalls between its tax-exempt and non tax-exempt portions.

According to letters from the IRS to ACORN affiliates, AHC,²² Project Vote,²³ and AISJ²⁴ have all been assigned 501(c)(3) status by the IRS. As such, their activities should be kept distinct from ACORN, a taxable non-profit organization. Since, according to past audit reports, ACORN shares “common controls by individuals who could exercise influence over their day-to-day decisions” with their 501(c)(3) affiliates, there is a reasonable suspicion that ACORN does not keep its activities separate from the activities of its 501(c)(3) affiliates.²⁵

Additionally, these audits support suspicions about the role of Citizens’ Consulting, Inc. (CCI) in concealing the political activities of ACORN. As stated in the previous ACORN Report, CCI is a nonprofit organization that provides consulting services, including administrative, financial, bookkeeping, and legal support, primarily to nonprofit organizations.²⁶ According to testimony made before the House Judiciary Committee, “[a]ll donations to ACORN or any of its approximately 175 affiliates are deposited into bank accounts held by CCI. Thereafter, CCI transfers money into various affiliates.”²⁷ IRC, FECA, IRS and FEC regulations require political funds to be separate and segregated from tax-exempt accounts and organizations must prove that funds designated for 501(c)(3) purposes are not used for political purposes.²⁸ However, as noted in the previous ACORN Report, ACORN’s outside counsel, Elizabeth Kingsley of Harmon, Curran, Spielberg, & Eisenberg, L.L.P, found that it was difficult to determine whether funds given to CCI that were designated to be used for 501(c)(3) purposes were actually being used for non-501(c)(3) work.²⁹

Tables 1, 2, and 3 provide a summary of the data collected from the 1999-2004 audits of AHC, Project Vote, and AISJ. As these tables demonstrate, CCI receives large amounts of money from ACORN’s tax-exempt affiliates for “accounting, corporate, and administrative services.”³⁰ From 2000-2004, CCI received a total of **\$1,263,356.24** from

²² Letter from Paul Williams, IRS District Director to ACORN Housing Corp., Mar 9, 1990 (on file with author).

²³ Letter from IRS District Director to Project Vote, Apr 23, 1988 (on file with author).

²⁴ Letter from IRS Exempt Organizations Coordinator to American Institute for Social Justice, Jul 2, 1991 (on file with author).

²⁵ *Id.*

²⁶ Memorandum from Harmon, Curran, Spielberg, & Eisenberg, LLP [HCSE] on Organization Review to ACORN Beneficial Association, ACORN Housing Corporation, ACORN Institute, ACORN Votes, American Institute for Social Justice, Association of Community Organizations for Reform Now, Citizens Consulting, Inc., Citizens Services Inc., Communities Voting Together, Pennsylvania Institute for Community Affairs, Inc., Project Vote/Voting for America, Inc. (June 19, 2008) at 8-9 (ACORN_004934-004935) (*hereinafter* “HCSE Memo”).

²⁷ *What went wrong with the 2008 election?: Hearing Before the H. Judiciary Comm.*, 111TH CONG. 5 (2009) (statement of Heather Heidelbaugh).

²⁸ Jack Maskell, *Lobbying Regulations on Non-Profit Organizations*, CRS RPT. FOR CONG., May 7, 2008 at 6.

²⁹ HCSE Memo (June 19, 2008) at 7 (ACORN_004933).

³⁰ Audit Reports of ACORN Housing Corp. (2000-2004), Project Vote (1999-2003), and American Institute for Social Justice (2000-2004) (on file with author).

the ACORN Housing Corporation (AHC) and **\$287,792.41** from AISJ.³¹ From 1999-2003, CCI received a total of **\$1,061,388.91** from Project Vote.³² Overall, from 1999-2004, CCI received **\$2,127,663.13** from three of ACORN's 501(c)(3) organizations.³³ These charts reflect that over two million dollars was paid to a Louisiana-incorporated nonprofit corporation from three other nonprofit corporations over six years, for "accounting, corporate, and administrative services." Despite the obvious concerns regarding CCI's role in concealing the political activities of ACORN, the IRS and the FEC have failed to take appropriate legal action against ACORN.

Table 1. Summary of Transactions Between Project Vote and Relevant Organizations

| Organization | Year | Receipts | Disbursements | Net |
|----------------------------|--------------|-----------------|-----------------------|------------------------|
| ACORN | 1999 | \$0.00 | \$18,113.10 | -\$18,113.10 |
| | 2000 | \$0.00 | \$350,515.81 | -\$350,515.81 |
| | 2001 | \$0.00 | \$929.00 | -\$929.00 |
| | 2002 | \$0.00 | \$431,730.00 | -\$431,730.00 |
| | 2003 | \$0.00 | \$260,101.00 | -\$260,101.00 |
| | TOTAL | \$0.00 | \$1,061,388.91 | -\$1,061,388.91 |
| Citizens' Consulting, Inc. | 1999 | \$0.00 | \$53,674.61 | -\$53,674.61 |
| | 2000 | \$0.00 | \$98,670.87 | -\$98,670.87 |
| | 2001 | \$0.00 | \$33,203.00 | -\$33,203.00 |
| | 2002 | \$0.00 | \$140,933.00 | -\$140,933.00 |
| | 2003 | \$0.00 | \$250,033.00 | -\$250,033.00 |
| | TOTAL | \$0.00 | \$576,514.48 | -\$576,514.48 |

³¹ *Id.*

³² *Id.*

³³ *Id.*

Table 2. Summary of Transactions Between American Institute for Social Justice and Relevant Organizations

| Organization | Year | Receipts | Disbursements | Net |
|---|--------------|-----------------|------------------------|------------------------|
| ACORN | 2000 | \$2,860,660.53 | \$3,959,122.28 | -\$1,098,461.75 |
| | 2001 | \$3,677,990.20 | \$4,922,553.82 | -\$1,244,563.62 |
| | 2002 | \$4,013,096.00 | \$5,857,935.00 | -\$1,844,839.00 |
| | 2003 | \$5,498,519.00 | \$6,190,079.00 | -\$691,560.00 |
| | 2004 | \$3,403,216.00 | \$12,822,853.00 | -\$9,419,637.00 |
| | TOTAL | | \$19,456,481.73 | \$33,752,543.10 |
| ACORN Housing Corp. | 2000 | \$431,133.27 | \$0.00 | +\$431,133.27 |
| | 2001 | \$307,500.00 | \$0.00 | +\$307,500.00 |
| | 2002 | \$634,373.00 | \$0.00 | +\$634,373.00 |
| | 2003 | \$601,535.00 | \$43,388.00 | +\$558,147.00 |
| | 2004 | \$491,702.00 | \$0.00 | +\$491,702.00 |
| | TOTAL | | \$2,466,243.27 | \$43,388.00 |
| Citizens' Consulting, Inc. | 2000 | \$0.00 | \$65,858.48 | -\$65,858.48 |
| | 2001 | \$0.00 | \$94,168.93 | -\$94,168.93 |
| | 2002 | \$0.00 | \$88,521.00 | -\$88,521.00 |
| | 2003 | \$0.00 | \$24,244.00 | -\$24,244.00 |
| | 2004 | \$0.00 | \$15,000.00 | -\$15,000.00 |
| | TOTAL | | \$0.00 | \$287,792.41 |
| Department of Housing and Urban Development | 2000 | \$0.00 | \$0.00 | +\$0.00 |
| | 2001 | \$60,000.00 | \$0.00 | +\$60,000.00 |
| | 2002 | \$176,000.00 | \$0.00 | +\$176,000.00 |
| | 2003 | \$84,000.00 | \$0.00 | +\$84,000.00 |
| | 2004 | \$110,000.00 | \$0.00 | +\$110,000.00 |
| | TOTAL | | \$430,000.00 | \$0.00 |

Table 3. Summary of Transactions Between ACORN Housing Corp. and Relevant Organizations

| Organization | Year | Receipts | Disbursements | Net |
|---|--------------|-----------------------|-----------------------|------------------------|
| ACORN | 2000 | \$0.00 | \$89,875.51 | -\$89,875.51 |
| | 2001 | \$10,000.00 | \$78,617.07 | -\$68,617.07 |
| | 2002 | \$47,400.00 | \$83,392.00 | -\$35,992.00 |
| | 2003 | \$28,980.00 | \$97,932.00 | -\$68,952.00 |
| | 2004 | \$20,742.00 | \$126,681.00 | -\$105,939.00 |
| | TOTAL | \$107,122.00 | \$476,497.58 | -\$369,375.58 |
| American Institute for Social Justice | 2000 | \$0.00 | \$431,133.27 | -\$431,133.27 |
| | 2001 | \$0.00 | \$307,500.00 | -\$307,500.00 |
| | 2002 | \$0.00 | \$634,373.00 | -\$634,373.00 |
| | 2003 | \$43,388.00 | \$601,535.00 | -\$558,147.00 |
| | 2004 | \$0.00 | \$491,702.00 | -\$491,702.00 |
| | TOTAL | \$43,388.00 | \$2,466,243.27 | -\$2,422,855.27 |
| Citizens' Consulting, Inc. | 2000 | \$0.00 | \$190,969.93 | -\$190,969.93 |
| | 2001 | \$0.00 | \$241,656.31 | -\$241,656.31 |
| | 2002 | \$0.00 | \$249,366.00 | -\$249,366.00 |
| | 2003 | \$0.00 | \$252,954.00 | -\$252,954.00 |
| | 2004 | \$0.00 | \$328,410.00 | -\$328,410.00 |
| | TOTAL | \$0.00 | \$1,263,356.24 | -\$1,263,356.24 |
| Department of Housing and Urban Development | 2000 | \$0.00 | \$0.00 | +\$0.00 |
| | 2001 | \$17,522.00 | \$0.00 | +\$17,522.00 |
| | 2002 | \$15,000.00 | \$0.00 | +\$15,000.00 |
| | 2003 | \$693,522.00 | \$0.00 | +\$693,522.00 |
| | 2004 | \$2,157,445.00 | \$0.00 | +\$2,157,445.00 |
| | TOTAL | \$2,883,489.00 | \$0.00 | +\$2,883,489.00 |

The financial data within these audits shows that ACORN received large amounts of money from its nonprofit affiliates while giving significantly less back in return, suggesting wide-spread subversive accounting practices. Based upon ACORN affiliates' tax-exempt disclosures, there are substantial discrepancies between ACORN's own audits and what has been officially reported to the IRS. As tables 1, 2, and 3 demonstrate, from 2000-2004, ACORN received a net total of **\$369,375.58** from AHC, which is funded by the Department of Housing and Urban Development and **\$14,299,061.37** from AISJ.³⁴ From 1999-2003, ACORN received a net total of **\$1,061,388.91** from Project Vote.³⁵ Over a six year period, from 1999-2004, ACORN received a net total of **\$15,729,825.86**

³⁴ *Id.*

³⁵ *Id.*

from three of its 501(c)(3) organizations, whose funds are supposed to be kept separate from taxable nonprofit corporations like ACORN.³⁶

Nearly 40% of the disbursements from three of ACORN's 501(c)(3) affiliates to ACORN's national organization come in the form of gifts and grants for which no real reason is given for the transfer of funds.³⁷ Between 1999 and 2004, AHC gave 3.10%, Project Vote gave 29.91%; and AISJ gave 75.94% of their respective unrestricted revenues to ACORN.³⁸ In the same time period, AHC also gave 16.02% of its unrestricted revenue to AISJ, which gives large percentages of its own revenue to ACORN.³⁹ The fact that ACORN's 501(c)(3) organizations transferred such a substantial amount of money to ACORN's national organization while receiving far less in return creates enormous concern about the transparency of these transactions involving federal funds and charitable donations.

These money transfers are consistent with allegations that ACORN engages in a shell-game of corporate financing, in which money is transferred from affiliate organizations receiving federal money to a national ACORN organization that engages in partisan political activities. The American Institute for Social Justice (AISJ) appears to play a particularly strong role in this shell-game by transferring funds from ACORN affiliates receiving federal money to ACORN's national organization, presumably for political purposes. According to audit statements of AISJ, AISJ acts as a "fiscal agent for other organizations" that "[f]or certain gifts and grants . . . receives the funds and then remits the amount received to the designated organization."⁴⁰ However, AISJ's primary fiscal client is ACORN.⁴¹

As Table 2 shows, **\$53,209,024.83** in funds were transferred between ACORN and AISJ from 2000-2004.⁴² ACORN's national organization was the overall beneficiary of these transactions, as it received a net total of **\$14,299,061.37** from AISJ over the course of a five year period from 2000-2004.⁴³ **\$13,952,234.09** of the total expenditures given to ACORN from AISJ came in the form of gifts and grants for which no real reason is given for the transfer of funds.⁴⁴ This dollar amount represents 98.6% of the total amount of grants given out by AISJ to affiliated organizations and 95.9% of the total amount of grants given out by AISJ overall, from 2000-2004.⁴⁵

³⁶ *Id.*

³⁷ *Id.*

³⁸ Audit Reports of ACORN Housing Corp. (2000-2004), Project Vote (1999-2003), and American Institute for Social Justice (2000-2004) (on file with author). It is worth noting that there were some discrepancies in the revenues reported by ACORN-affiliated entities in their Form-990 statements when compared to the revenues stated in the audit statements used to calculate these percentages.

³⁹ *Id.*

⁴⁰ Audit Reports of American Institute for Social Justice (2000-2004) (on file with author).

⁴¹ *Id.*

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

The amount of funds transferred from AISJ to ACORN creates substantial concern given AISJ's revenue sources. According to AISJ's audit statements, AISJ receives its funding from "gifts and grants from foundations, corporations, religious organizations and the government."⁴⁶ As Table 3 depicts, from 2000-2004, ACORN received **\$430,000.00** from the Department of Housing and Urban Development (HUD).⁴⁷ Furthermore, from 2000-2004, AISJ received a total of **\$2,466,243.27** in grants and gifts from ACORN Housing Corp., Inc. (AHC).⁴⁸ This dollar amount represents 78.2% of the total amount of grants given out by AHC to affiliated organizations and 56.4% of the total amount of grants given out by AHC overall, from 2000-2004.⁴⁹

AHC, an organization whose purpose is to provide "free housing counseling to low and moderate income homebuyers"⁵⁰ provided a substantial amount of grant money to ACORN, an organization whose purpose is to be a "provider of training and technical assistance in organizing principles and methods, and a center for research and public policy development on issues of concern to low and moderate income people."⁵¹ AHC is able to attract a significantly larger amount in public donations and federal grants than any of the other corporations in the ACORN organization. For instance, as Table 3 shows, AHC received **\$2,883,489.00** in federal grant money from HUD during the years of 2000-2004, which is significantly more federal funding than AISJ received during the same time period.⁵² Furthermore, according to one of AHC's tax returns, more than **four million dollars** in private donations were donated to AHC from major banks in 2000.⁵³

Ranking Member Darrell Issa has sent letters to HUD and the HUD Office of Inspector General about the federal money that has been provided to AHC and whether it was spent properly according to federal law. Despite Congressman Issa's requests, HUD has yet to respond.⁵⁴

As a result of its large pool of receipts, AHC has the ability to give money to AISJ and still conduct its day-to-day activities. AISJ can then, as ACORN's fiscal agent, give

⁴⁶ *Id.*

⁴⁷ FEDERAL ASSISTANCE TO AMERICAN INSTITUTE FOR SOCIAL JUSTICE IN LA, FEDSPENDING.ORG, available at: http://www.fedspending.org/faads/faads.php?reptype=r&detail=-1&datatype=T&sortby=t&database=faads&recip_id=36504&fiscal_year=2007&record_num=f500 (last accessed Jan. 20, 2010).

⁴⁸ Audit Reports of ACORN Housing Corp. (2000-2004) (on file with author).

⁴⁹ *Id.*

⁵⁰ *Who We Are*, ACORN HOUSING, available at: <http://acornhousing.org/TEXT/wwa.php> (last accessed Jan. 20, 2010).

⁵¹ *About THE AMERICAN INSTITUTE FOR SOCIAL JUSTICE*, available at: <http://www.aisj.org/index.php?id=557> (last accessed Jan. 20, 2010).

⁵² *Federal Assistance to ACORN Housing Corp., Inc. in LA.*, FEDSPENDING.ORG, available at: http://www.fedspending.org/faads/faads.php?reptype=r&detail=-1&datatype=T&sortby=t&database=faads&recip_id=10899&fiscal_year=2007&record_num=f500 (last accessed Jan. 20, 2010).

⁵³ Consumer Rights League, ACORN'S HYPOCRITICAL HOUSE OF CARDS, available at: http://www.consumersrightsleague.org/UploadedFiles/ACORN_AHC_Report.pdf.

⁵⁴ See LETTER, Ranking Member Darrell Issa to Honorable Shaun Donovan, Secretary, U.S. Department of Housing and Urban Development, July 26, 2009.

this money in the form of gifts and grants to ACORN's national organization. This set of transactions allows funds given to AHC from private banks or the federal government to be used for whatever purposes ACORN's national organization chooses, all while avoiding the allegations of impropriety that may arise if AHC were to give this money directly to ACORN's national organization.

ACORN and SEIU engage in substantially similar transactions, for as one report described,⁵⁵

ACORN's usual modus operandi is to obscure its relationships to the greatest extent possible, but they are clear enough: sharing the same address with SEIU locals, millions of dollars in cozy financial relationships . . . U.S. Department of Labor LM-2's (financial disclosure forms) point to over \$600,000 in transactions between these same SEIU locals and other ACORN operations. A 2007 LM-2 form shows SEIU Local 880, which is active in Illinois and Minnesota, donated \$60,118 to ACORN for 'membership services.' Organized labor has kicked it back in the form of gifts and grants to ACORN totaling \$2.4 million, the LM-2's reveal.

C. "Muscle for the Money" – The ACORN Trade Secret

FINDING: *There is a pattern, method or trade secret of corruption common to all ACORN affiliates called "Muscle for the Money." One method is the use of litigation and commingled funds to engage in prohibited electioneering activities. The other method is an SEIU-funded enterprise involving threats and litigation aimed to secure ACORN's corporate financing. ACORN filed corporate income tax with the Internal Revenue Service and failed to file a Form 990, a requirement for non-profit status in several states where ACORN does business. In some states, ACORN fraudulently informed state Secretary of States that it was tax-exempt in order to avoid state corporate taxes.*

According to Anita MonCrief, a former staff member of Project Vote and shared employee of ACORN Political Operations who served as an insider during the Committee's investigation, ACORN "has official and unofficial programs called 'Muscle for the Money'".⁵⁶ MonCrief described Muscle for the Money as serving two roles, one aimed at using non-profit corporations for electioneering activities and the other, a SEIU-funded strategy to threaten corporations and banks into brokering deals for ACORN's financial benefit.⁵⁷

⁵⁵ Kevin Williamson, *The 'Shut Up' Candidate*, NAT'L REVIEW, Feb. 8, 2010, available at: <http://article.nationalreview.com/print/?q=YzQ0ODg3OWI3ZDAzZDNiZGNlMmFlODVmYjczY2Q2NzE> = (last visited Feb. 9, 2010).

⁵⁶ MonCrief testimony, *infra* at 4-5.

⁵⁷ *Id.*

The so-called official Muscle for the Money program “is the name for the ACORN voter registration drives.”⁵⁸ Under the official program, Project Vote pays ACORN “not only to register voters, but to also convert those voter registrations into votes at the polls for specific candidates.”⁵⁹ This program operates under the pretense that Project Vote is implementing the National Voter Registration Act (NVRA). Project Vote has sued Ohio and has threatened to sue Arizona, Colorado, Florida, and Missouri for failing to meet Project Vote’s demands to comply with its interpretation of the NVRA.⁶⁰

According to high-ranking members of SEIU and ACORN, “it is still the practice at ACORN to have registration quotas . . . ACORN counts only 20% of its cards . . . Project Vote pays ACORN for the cards ACORN brings in whether these cards are fraudulent or not. The more cards ACORN fills out, the more money it gets paid from Project Vote.”⁶¹ According to one insider, a former ACORN organizer, “Voter Registration is a fundraiser.”⁶²

The unofficial Muscle for the Money program is a program directed at corporations, where ACORN would protest or use other intimidation methods to solicit money from businesses in order to make the protests end. An example is an effort where, according to an ACORN whistleblower, “[p]ayments from SEIU were made to ACORN’s DC office to harass The Carlyle Group and, specifically, Mr. David Rubenstein, a founder of the company. Even though DC ACORN had no interest in The Carlyle Group, they were paid by SEIU to go break up a banquet and protest at [Rubenstein’s] house.”⁶³ MonCrief states this strategy was called Muscle for the Money “because they would go intimidate people and protest . . . [t]argets of the paid protests included Sherwin-Williams, H&R Block, Jackson Hewitt and Money Mart, among others. The purpose was to get money from the targeted entities for ACORN, to force the companies to ‘negotiate’”.⁶⁴

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ Email, Michael Slater (Project Vote), *Low-Income Americans Denied an Opportunity to Register to Vote, New Report Shows*, Feb. 12, 2008, 8:59 AM EST (on file with author). *See also* Project Vote Re-Notice Letter 6.9.09.pdf at 1-2 (on file with author).

⁶¹ Interview, Committee staff with Insider 1, Insider 2, Jan. 14, 2010 (on file with author).

⁶² *Id.*

⁶³ MonCrief testimony, *infra* at 4-5. *See also* DAVID REYNOLDS, PARTNERING FOR CHANGE: UNIONS AND COMMUNITY GROUPS BUILD COALITIONS FOR ECONOMIC JUSTICE, at 38-39 (2008) (“This powerful base in low-and moderate-income communities means that ACORN shares a set of values and common interests with most labor unions. . . . All of this means that ACORN is a reliable ally—and organization that can support unions in their organizing drives and contract campaigns, join together in policy campaigns on issues of mutual interest to union and ACORN members through the ACORN Political Action Committee, and collaborate on political campaigns to ensure that worker- and community-friendly candidates are elected to office”).

⁶⁴ *Id.*

The following internal ACORN e-mail from ACORN campaign director, Amy Schur, illustrates how ACORN used Muscle for the Money threats against Countrywide in order to obtain financial wins⁶⁵:

READ THIS EVERYONE

----- Original Message -----
Subject: Countrywide Cries...if not Uncle, at least Boo Hoo
Date: Tue, 9 Oct 2007 14:56:49 -0700
From: Amy Schur <campaigndirect@acorn.org>
Organization: Acorn
Newsgroups: acorn.campaign,acorn.headorg

Action moved
to the 25th
Please
readd!
P-

So, a number of offices hit Countrywide today.

I've heard about New York (see great description below), Cleveland, Orlando and Albuquerque. I'm sure there were others. These weren't 10 person actions either... (okay, they I'm not saying they were 100, but they weren't 10)

Today, top Countrywide execs. got on a call with our top people and begged for another chance. They will lock themselves in a room with us (scary thought!) next week and not leave until we either reach agreement or an impasse --- in which case all bets are off.

THEN, the General Counsel called back again, having heard about more actions, and pleaded his case that if more actions happened it would be hard for him to get his people to come to the meeting next week.

*The actions gave them a taste of what ACORN can and will dish out. They're not likin' it! We are meeting with them next Wednesday or Thursday. Let's reschedule our national day of action to the 25th, so that we don't run into a chance of having to cancel with less than 24 hrs notice. *
**
Great job!

This email was sent eight months after Countrywide officials had made the decision to cut down on subprime lending. According to a report by Reuters in March of 2007, "Countrywide ha[d] stopped making subprime loans that require no money down to borrowers without proof of income. Just 7 percent of its mortgage loans were subprime in February."⁶⁶

V. ACORN AND THE SEIU

FINDING: *SEIU and ACORN are financially and politically codependent. ACORN directly runs two of the most prominent SEIU locals. ACORN has received several million dollars from SEIU. SEIU shares offices with ACORN in nine cities across the United States,*

⁶⁵ Email from Amy Schur, *Countrywide Cries . . . if not Uncle, at least Boo Hoo*, Oct. 9, 2007, 2:56 E.S.T.

⁶⁶ Jonathan Stempel. *Countrywide Dismisses Subprime Naysayers*, REUTERS, Mar. 16, 2007, available at: <http://www.reuters.com/article/idUSN1625465520070316> (last visited Feb. 14, 2010).

utilizing SEIU staff and resources to advance both organizing and political goals.

The Service Employees International Union (SEIU) has come a long way from its meager beginnings as an American Federation of Labor charter, organizing janitors and window washers in Chicago.⁶⁷ In 2000, it became the largest and fastest growing independent union in North America with 1.4 million members.⁶⁸ Today, SEIU has 2.2 million members and takes in over \$276 million in receipts which it has used to finance aggressive organizing and political campaigns, both directly and indirectly through its affiliate ACORN.⁶⁹

SEIU and ACORN emails and government filings clearly outline their intimate and codependent financial and ideological relationship. ACORN directly runs two of the most prominent SEIU locals. In four of the last six years, ACORN has received **\$5,609,338.00** dollars from SEIU for services ranging from organizing to political activities, setup programs to advance organizing, and arranged for union dues sharing. SEIU shares offices with ACORN in nine cities across the United States, utilizing SEIU staff and resources to advance both organizing and political goals.⁷⁰

A. SEIU and ACORN share common origins.

According to documents obtained from ACORN's Oklahoma offices, SEIU Local 100 originated from the United Labor Unions (ULU), a union organization started by ACORN.⁷¹ Local 100 became chartered under SEIU to organize public sector workers like school bus drivers, school aides, and janitors in Arkansas, Louisiana, and Texas. SEIU Local 880 "also comes from the ULU movement and organizes home childcare workers and home health aides throughout Illinois, with over 80,000 members state-wide."⁷²

According to SEIU/ACORN insiders:

Wade Rathke was a Board Member of SEIU. Madeleine Talbott and her husband Keith Kelleher served on the boards of both SEIU and ACORN. Zach Polett is the chief of political operations at ACORN. The ACORN Office in St. Louis, Missouri is owned by SEIU 880 and ACORN Housing. Jeff Ordower, the Missouri head organizer for ACORN, works in the SEIU building in St. Louis.

⁶⁷ OUR HISTORY, *available at*: <http://www.seiu.org/a/ourunion/seiu-history.php> (last visited Feb. 1, 2010).

⁶⁸ *Id.*

⁶⁹ OUR UNION, *available at*: <http://www.seiu.org/a/ourunion/a-closer-look-inside-labors-fastest-growing-union.php>, (last visited Feb. 1, 2010).

⁷⁰ *See* Tables 8, 9.

⁷¹ ACORN Family, July 10, 2007 at 2 (on file with author). *See also* ABOUT LOCAL 100, <http://www.seiu100.org/index.php?id=391> (last visited January 28, 2010).

⁷² *Id.*

Ordower, who works at the SEIU offices, is the field operations director for ACORN.⁷³

Insiders interviewed by the Committee staff add: “It has always been that way with ACORN and SEIU.”⁷⁴ According to these insiders, money was automatically given to ACORN from SEIU, and the State Council is the political arm of SEIU in Missouri and Kansas.⁷⁵ ACORN/SEIU activities are funded through dues and ACORN runs campaigns for SEIU, such as the Claire McCaskill campaign for Senate.⁷⁶

1. SEIU Local 100

In 1980, Local 100 was founded as an independent union under the leadership of Wade Rathke to organize Hyatt housekeepers, laundresses, valets, concierges, and door and bell staff.⁷⁷ On May 25, 1984, Local 100 joined SEIU under the direct control of ACORN and started organizing service sector public workers in school districts throughout Louisiana.⁷⁸ At its peak in 2002, under the leadership of Chief Organizer Wade Rathke, Local 100 had 4,625 members and received over \$1.3 million in receipts.⁷⁹ However, this success was overshadowed by the embezzlement of \$5 million by Dale Rathke, Wade Rathke’s brother.⁸⁰

Although the embezzlement was not disclosed to ACORN’s board until 2008, Local 100’s Form LM-2 filings reflect that ACORN headquarters had knowledge of the embezzlement based on its compliance with audit requirements.⁸¹ Until the year 2001, Dale Rathke was listed on Local 100’s Form LM-2 as the point of contact for Local 100.⁸² Following Dale Rathke’s disappearance as the point of contact for Local 100, the union spent the next seven years amending their Form LM-2 filings, at one point reducing total assets in 2001 by over \$200,000.⁸³

⁷³ Interview, Committee Staff and Insider 1 (ACORN, SEIU) and Insider 2 (ACORN), Jan. 21, 2010 (on file with author).

⁷⁴ *Id.* See also HEIDI SWARTS, ORGANIZING URBAN AMERICA: SECULAR AND FAITH-BASED PROGRESSIVE MOVEMENTS, at 107 (2008) (“ACORN also gained an ally in the SEIU, on whose State Council sat an ACORN ally, a former organizer with SEIU local 880, which shared the ACORN office”). See also ROBERT FISHER, THE PEOPLE SHALL RULE: ACORN, COMMUNITY ORGANIZING, AND THE STRUGGLE FOR ECONOMIC JUSTICE, at 45 (2009) (“In 1978-1980 the roots were laid in direct labor organizing, which has now led to the inclusion of what are sometimes called by the Service Employees International Union (SEIU) “the ACORN locals,” SEIU 100 and SEIU 880”).

⁷⁵ *Id.*

⁷⁶ *Id.*

⁷⁷ About Local 100, <http://www.seiu100.org/index.php?id=391> (last visited January 28, 2010).

⁷⁸ *Id.*

⁷⁹ SEIU Local 100, Annual Report (Form LM-2), at 1 (May 16, 2007).

⁸⁰ See Caldwell testimony, *infra*.

⁸¹ SEIU Local 100, Annual Report (Form LM-2), at 1 (Apr. 18, 2002).

⁸² *Id.*

⁸³ 2001-2007 Annual Reports, SEIU Local 100, (Form LM-2).

Previously, Committee staff reported that the SEIU Local 100 Form LM-2 filed with the Labor Department showed SEIU made payments to ACORN.⁸⁴ Steve Bachmann, ACORN's General Counsel, stated "[t]o what extent does the Local 100 Board and Local 100 members know about the perfidy of their Chief Organizer? *Do they know how hokey their LM-2 filings are?*"⁸⁵

According to Steve Bachmann, "Local 100 was nurtured by ACORN, but I think US Labor law prevents ACORN from interfering in Local 100 affairs. And it is not clear that ACORN wants to bother with Local 100 anymore, except to collect money Local 100 has borrowed from ACORN affiliates (some \$250,000). . . ."⁸⁶

To date, Local 100 and ACORN still share the same address, but according to Local 100's website, the local has disaffiliated from SEIU.⁸⁷ However, Local 100's website still displays the SEIU logo and SEIU's distinct purple and is still listed on the SEIU website as an affiliate, even though it has not registered as a corporation with the State of Louisiana.⁸⁸ In fact, according to the Louisiana Secretary of State, the United Labor Unions (ULU), the union that Local 100 supposedly returned to, had its charter revoked in 1998.⁸⁹ Furthermore, Local 100 has not filed its 2008 Form LM-2 under either ULU or SEIU.⁹⁰ Based on tax records, it appears that Local 100 is still a member of SEIU and ACORN.

2. SEIU Local 880

Keith Kelleher, former head organizer and president of SEIU Local 880, is now president of SEIU Healthcare Illinois and Indiana.⁹¹ According to ACORN Executive Director Steven Kest, Keith Kelleher served on the ACORN management council and was aware of Dale Rathke's embezzlement.⁹² Kelleher⁹³ is registered with the city of Chicago as a lobbyist for Service Employees International Union ("SEIU") Local 880, an ACORN affiliate.⁹⁴

According to Kelleher, ACORN founded the United Labor Unions (ULU) to organize low-wage workers that traditional unions were unable or unwilling to

⁸⁴ See *Form LM-2 Labor Organization Annual Report*, SEIU Local 100, DEP'T OF LABOR, (2007), SEIU LM2 2007 at 11 (March 30, 2007) (ACORN_004912).

⁸⁵ Email from Steve Bachmann (July 22, 2008) at 4 (ACORN_004328) (emphasis added and in original).

⁸⁶ *Id.* at 2-3 (ACORN_004326-004327) (emphasis added).

⁸⁷ ABOUT LOCAL 100, <http://www.seiu100.org/index.php?id=444> (last visited January 28, 2010).

⁸⁸ Working Together SEIU 100, <http://www.seiu100.org/index.php?id=444> (last visited Feb. 1, 2010).

⁸⁹ Letter Louisiana Board of Ethics to Hon. Darrell Issa, Re: Request for Documents for ACORN and affiliates (Dec. 7, 2009) at 1-10.

⁹⁰ UNION OR TRUST SEARCH, <http://kcerds.dol-esa.gov/query/getOrgQry.do> (last visited Feb. 1, 2010).

⁹¹ SEIU Local 880, Annual Report (Form LM-2), at 1 (Apr. 30, 2009).

⁹² Ralph McCloud CCHD at 5-6 (Nov. 11, 2008) (ACORN 004785-004786).

⁹³ See Minority staff report, *Is ACORN Intentionally Structured As a Criminal Enterprise?* COMM. OVERSIGHT AND GOV'T REFORM (2009) at 20, available at:

<http://republicans.oversight.house.gov/media/pdfs/20090723ACORNReport.pdf>.

⁹⁴ CITY OF CHICAGO, LOBBYING REGISTRATION DATABASE, available at:

http://www.cityofchicago.org/webportal/COCWebPortal/COC_EDITORIAL/RegLobAug09.pdf.

organize.⁹⁵ In the early 1980s, the Chicago based ULU Local 880 began organizing homecare workers in the private homecare industry and those directly reimbursed by the state.⁹⁶ Lack of resources forced ULU to seek affiliation with a national union and, in 1984, attracted by organizing subsidies for local operations, legal assistance, and a significant local autonomy for its locals, the ULU decided to join SEIU.⁹⁷

Six years after joining SEIU, Local 880 and ACORN were still dependent on SEIU International for financial support. The 1990 ACORN Internal Operations report, prepared by Dale Rathke, showed that combined ACORN operations were down 6% to just below \$5 million in gross revenue.⁹⁸ The only growth came from ACORN's labor operations, Local 880 and Local 100, where dues were up 35% and subsidies from SEIU international were up 20%.⁹⁹ These SEIU subsidies and per capita rebates accounted for over 60% of ACORN's labor operations income.¹⁰⁰ The key question for ACORN, in 1990, was whether appropriate arrangements could be negotiated with SEIU on per capita payments and whether sufficient membership could be recruited to take up the slack from ACORN's falling numbers before the SEIU subsidies ceased.¹⁰¹ By 2008, SEIU Local 880 was the fifth largest SEIU local with more than 65,000 members and over \$17 million in receipts.¹⁰²

Table 4. Employees From Former SEIU, Local 880 Now Employed By SEIU Healthcare, Illinois-Indiana

| Name | SEIU, Local 880 Position | SEIU Healthcare IL-IN Position |
|------------------|---------------------------------|---------------------------------------|
| Flora Johnson | President | Chairperson |
| Martina Casey | Vice President | Executive Board Member |
| Oneal Rayford | Secretary | Executive Board Member |
| Martha Tolliver | Treasurer | Executive Board Member |
| Keith Kelleher | Recording Secretary | President |
| Phyllis Clifford | Board Member | Executive Board Member |
| Armean Allen | Board Member | Executive Board Member |
| Alma McIntosh | Board Member | Executive Board Member |
| Angenita Tanner | Board Member | Executive Board Member |
| Maria Velazquez | Board Member | Executive Board Member |
| Alberta Walker | Board Member | Executive Board Member |

ACORN locals 880 and 100 are in multiple states and in many instances, share the same office space. Beyond just office sharing, SEIU locals 880 and 100 share board members with ACORN. Wade Rathke, ACORN's founder and former Chief Organizer,

⁹⁵ Keith Kelleher, *Growth of a Modern Union Local: A People's History of SEIU Local 880*, 12 JUST LABOUR: A CANADIAN JOURNAL OF WORK AND SOCIETY, at 2 (2008).

⁹⁶ *Id.*

⁹⁷ *Id.* at 3.

⁹⁸ Year End Year Begin Report, ACORN (1990) at 5 (on file with author).

⁹⁹ *Id.*

¹⁰⁰ *Id.* at 6.

¹⁰¹ *Id.*

¹⁰² Kelleher, *supra* note 98 at 2.

ran SEIU Local 100.¹⁰³ Dale Rathke managed SEIU Local 100's financials and recent evidence shows that SEIU Local 100 filed bogus reports with the Labor Department in order to conceal Dale Rathke's embezzlement from ACORN.¹⁰⁴ ACORN audits reveal several thousand dollars transferred between SEIU locals 880 and 100 and ACORN and several affiliates, including ACORN Housing and Citizens Consulting, Inc.¹⁰⁵ These audits also demonstrate that ACORN affiliates and SEIU locals 880 and 100 "share certain common functions and costs" and also share "common controls by individuals who could exercise influence over their day-to-day decisions."¹⁰⁶ In short, ACORN affiliates fund ACORN and in turn, SEIU funds ACORN's affiliates. Documents show the clear exchange of funds goes back and forth between the two organizations depending on who needs money at the time.

¹⁰³ SEIU Local 100, Annual Report (Form LM-2), at 1 (Apr. 18, 2002).

¹⁰⁴ *Id.* See Minority staff report, *Is ACORN Intentionally Structured As a Criminal Enterprise?* COMM. OVERSIGHT AND GOV'T REFORM (2009) at 57, available at: <http://republicans.oversight.house.gov/media/pdfs/20090723ACORNReport.pdf> at 3-6.

¹⁰⁵ Audit Reports of ACORN Housing Corp. (2000-2004), Project Vote (1999-2003), and American Institute for Social Justice (2000-2004) (on file with author).

¹⁰⁶ *Id.*

Table 5. ACORN-SEIU Shared Addresses

| SEIU Organization | ACORN Organization | Address |
|---|-----------------------------|--|
| SEIU Healthcare Illinois & Indiana – <i>Healthcare</i> | ACORN Housing, Illinois | 209 W Jackson Blvd Chicago, IL 60606 ¹⁰⁷ |
| SEIU Local 1 - Indiana SEIU Healthcare Illinois & Indiana - Indianapolis | Indianapolis ACORN | 1800 N. Meridian Indianapolis, IN 46202 ¹⁰⁸ |
| SEIU Local 100 | ACORN Housing, Dallas | 5353 Maple Ave. Dallas, TX 75235 ¹⁰⁹ |
| SEIU Local 100 - Branch Office - <i>Public Services</i> | Baton Rouge ACORN | 5177 Greenwell Springs Rd. Baton Rouge, LA 70806-1604 |
| SEIU Local 100 - Houston | ACORN Housing, Houston | 3333 Fannin Houston, TX 77004 ¹¹⁰ |
| SEIU Local 100 - New Orleans | New Orleans ACORN | 2609 Canal St. New Orleans, LA 70119 ¹¹¹ |
| SEIU Local 24/7 (IUSO) - <i>Property Services</i> | California ACORN | 3411 E 12th St Ste 200 Oakland, CA 94601 ¹¹² |
| SEIU Local 880 | ACORN Housing, St. Louis | 4304 Manchester Ave. St. Louis, MO 63110 ¹¹³ |
| SEIU Louisiana State Council | ACORN Housing, Louisiana | 1024 Elysian Fields Ave New Orleans, LA 70117 |

B. ACORN and SEIU are co-managers of a financial and political enterprise

According to information produced to the Committee, even low level ACORN employees were instructed to state they were affiliated with both ACORN and SEIU.¹¹⁴ SEIU Local 100, housed at the same New Orleans address as ACORN, has given hundreds of thousands of dollars to national ACORN chapters for political activities, according to its Department of Labor filings.¹¹⁵ In Illinois, ACORN and SEIU led what they described as a “seamless” and “flawless” joint operation to elect now disgraced Governor Rod Blagojevich.¹¹⁶

¹⁰⁷ SEIU is on 2nd floor and AHC is on 3rd floor

¹⁰⁸ SEIU is in Suite 410, ACORN is in Suite 511

¹⁰⁹ SEIU has since moved according to their website

¹¹⁰ SEIU is in Suite 115, AHC is in Suite 103

¹¹¹ ACORN has since sold this building to satisfy federal and state tax liens

¹¹² ACORN may have moved offices, but this address was listed on the CA ACORN website

¹¹³ SEIU has since changed Local 880 to SEIU Healthcare – Illinois/Indiana, but no longer has a Southern Illinois Office in St. Louis

¹¹⁴ Interview, Committee Staff and Insider 1 (ACORN, SEIU) and Insider 2 (ACORN), Jan. 21, 2010 (on file with author).

¹¹⁵ See Table 9, *infra*. The LM-2 has a specific section for political activities and SEIU’s LM-2 filings from the last 5 years show hundreds of thousands of dollars given to ACORN for “political activities.”

¹¹⁶ Local 880 Year End Year Begin Report at 5 (Dec. 15, 2006) (ACORN_04354) (emphasis added). See *also id.* at 7-8, discussing several joint SEIU-ACORN campaigns (emphasis added).

Documents reviewed by Committee staff show that ACORN used SEIU Local 880 to create a political staff in order to elect Democrats friendly to Union causes.¹¹⁷ ACORN's political and upper management share the same role with SEIU. Peter Colavito was an ACORN political director from approximately 1999 to 2003 and currently serves as a political director for SEIU.¹¹⁸ What's more, it appears ACORN's electioneering goes all the way to 1600 Pennsylvania Avenue. ACORN spokesman Scott Levenson meets frequently with White House political director Patrick Gaspard¹¹⁹ who was Vice President of SEIU and maintains close ties to ACORN.¹²⁰

SEIU developed political reports discussing ACORN's Political Action Committees (APACs) and participated in partisan electoral work.¹²¹ SEIU "moved between 50-100 members and staff to work the precincts for Blago . . . SEIU's and APAC's volunteers in the high turnout precincts on the south side, brought it home. High level Blagojevich staff credited [the SEIU Local 880 staff] later with helping move the vote that allowed him to win."¹²² SEIU documents further stated, "[b]ecause we were key in the early organizing and moving this national campaign by both ACORN and SEIU, we were well-positioned to win. Our early support of Governor Blagojevich and his commitment to support an Executive Order allowing homecare and home child care workers to organize put us far ahead of the other states."¹²³

ACORN's own internal financial statements reflect its financial dependence upon SEIU. Under "financial status," ACORN's 1990 internal audit stated, "[o]nly on the labor side was there growth, but in dues -- up by some 35% -- and in moneys from the

¹¹⁷ See *Political Operations Contact List Master Dec 6_07.xls* (produced by Anita MonCrief) (Excel Chart titled "Political Operations (& Affiliates) Contact List" with contact information for Zach Polett (ACORN), Amy Busefink (ACORN, Project Vote), Nathan Henderson James (ACORN, Project Vote), and Brian Mellor (Project Vote). See also Interview, Committee Staff Jan. 14, 2010 (on file with author) and Local 880 at 5 (Dec. 15, 2006) (ACORN_004354) (emphasis added); Illinois Governor Rod Blagojevich was arrested on federal corruption charges on December 9, 2008. See Press Release, Department of Justice, Illinois Gov. Rod R. Blagojevich and His Chief of Staff John Harris Arrested on Federal Corruption Charges, (Dec. 9, 2008), available at:

http://chicago.fbi.gov/dojpressrel/pressrel08/dec09_08.htm (last visited July 7, 2009). See also State of Minnesota Campaign Finance and Public Disclosure Board, Findings Regarding SEIU Local 880 Political Fund, available at: <http://www.cfboard.state.mn.us/bdinfo/investigation/12505seiu.pdf> (finding "There is evidence that the SEIU Local 880 Political Fund . . . violated Minn. Stat. §10A.27, subd. 13(b)").

¹¹⁸ John Fund, *Chris Christie's Next Case: Who Stole My Election?* WALL STREET J, Nov. 2, 2009, available at: <http://online.wsj.com/article/SB10001424052748703932904574511612622116146.html> (last visited Feb. 1, 2010).

¹¹⁹ Currently Barack Obama's Director of the Office of Political Affairs. He was formerly the Executive Vice President of the Service Employees International Union ("SEIU"), which is an ACORN affiliate. He served as the National Political Director for the Barack Obama Presidential Campaign.

¹²⁰ VISITOR RECORDS, THE WHITE HOUSE, available at: <http://www.whitehouse.gov/briefing-room/disclosures/visitor-records>.

¹²¹ ACORN Grant Request to the Democracy Alliance at 12-13 (Mar. 24, 2006) (ACORN_004348-004349).

¹²² Local 880 Year End Year Begin Report at 17-18 (Dec. 15, 2006) (ACORN_004366-004367) (emphasis added).

¹²³ *Id.* at 5 (Dec. 15, 2006) (ACORN_004354) (emphasis added).

International -- up by 20%."¹²⁴ ACORN further clarified its financial connection with the SEIU as follows:

On the labor side, dues were again up appreciably with Local 100 and Local 880. This still left the labor operations with over 60% of their income from external sources. Virtually all non-dues income continues to come from SEIU subsidies and per-capita rebates and from CHD, so the key questions remain whether appropriate arrangements can be negotiated with SEIU on per capita payments and whether sufficient membership can be recruited to take up the slack before the SEIU subsidies cease.¹²⁵

ACORN's pattern of using donor funds for pro-union activities shows how financially connected ACORN is to SEIU. In a November 19, 1990 letter to the Nathan Cummings Foundation, which funded ACORN's "Patient's Rights Project," former ACORN employee Denisa Len wrote, "I am also very outraged with the scandalous way in which ACORN has obtained funding from you and other foundations at the expense of the poor, at the expense of the ill, and at the expense of well-meaning people such as myself."¹²⁶ The letter further stated SEIU's intention to use ACORN as a tool for unionizing employees: "I DID NOT, however, volunteer to organize Parkland employees into a union, and this is precisely what ACORN has in mind. Furthermore, ACORN misinforms, disinforms, and outright lies to accomplish its goals. It is under this burden of knowledge I quit the ACORN organization"¹²⁷

ACORN and SEIU's ties extend to public office as well. Anthony Hill, a State Senator from Florida, in his Form 1099 filed with the IRS reveals being simultaneously paid by the "Service Employees International Union" in the amount of \$49,450.50 as well as \$10,000 from the "Assn of Community Organizations for Re" located at 1024 Elysian Fields Avenue in New Orleans.¹²⁸

Locals 880 and 100 also coordinate their lobbying activities. According to the Illinois lobbying disclosure database,¹²⁹ Zach Nauth lobbied for the Service Employees International Union Local 880, while, according to the Louisiana Board of Ethics, "[a] review of our records prior to that time indicates that in 1996, Zack Nauth registered as a Legislative Branch lobbyist for that particular year. He was registered as representing SEIU Local 100."¹³⁰

¹²⁴ ACORN 1990 Financials, at 5.

¹²⁵ *Id.* at 6.

¹²⁶ Letter Denisa Len to Nathan Cummings Foundation (Nov. 19, 1990) (on file with author) at 1.

¹²⁷ *Id.*

¹²⁸ 2004 Form 1099 MISC (Anthony Hill) (on file with author).

¹²⁹ Zack Nauth, Lobbyist ID: 3687 (2002).

¹³⁰ Letter Louisiana Board of Ethics to Hon. Darrell Issa, Re: Request for Documents for ACORN and affiliates (Dec. 7, 2009) at 1.

1. SEIU Political Operations

FINDING: *SEIU/ACORN has leveraged its size, influence, and wealth to advance its policies and agendas through a complicated web of political connections, backroom negotiations, public relations, intimidation and litigation. SEIU/ACORN has spent millions of dollars and man hours supporting union friendly federal and state candidates and legislation. These connections are then used to entice employers into neutrality agreements with offers of government subsidies and union concessions.*

Documents show that SEIU requires its political affiliates to fund its substantial political operations.¹³¹ Although it states that SEIU had no political expenditures on its 2008 IRS Form 990, SEIU International and locals spent millions of dollars on politics and lobbying, filtering members' dues from the locals and the international to pro-union candidates and political affiliates, including ACORN. That same year, the SEIU Committee on Political Education (COPE), a PAC, spent over \$48 million on the 2008 campaign—more than half of that amount, almost \$27 million was spent on then-candidate Obama's presidential campaign alone.¹³² As of November 30, 2009, the SEIU COPE had total receipts of over \$15.2 million, of which \$5.3 million came from affiliates, and spent \$6.1 million in a non-election year.¹³³ SEIU spent millions supporting the Employee Free Choice Act and on health care reform legislation.¹³⁴ To ensure the continued compliance of politicians that received SEIU funds, SEIU has committed \$10 million in contributions to the "Justice for All" fund, a program designed to take on elected officials who fail to live up to their promises to SEIU.¹³⁵

On January 14, 2010, Committee staff interviewed a high-ranking organizer for both ACORN and SEIU as well as a high-ranking organizer for ACORN. These whistleblowers came forward to the Committee when they became concerned that on-the-ground ACORN-SEIU organizers were being fired for wanting to volunteer on a Republican campaign. One insider is the first African American head organizer

¹³¹ See Modification of Affiliation Agreement Between Service Employees International Union and Workers United, at 3, §B, (vi), available at:

http://www.politico.com/static/PPM110_100105_wuseiu_affiliation.html.

¹³² CAMPAIGN MONEY.COM, <http://www.campaignmoney.com/political/committees/seiu-cope-service-employees-international-union-committee-on-political-education.asp?cycle=10> (last visited on January 31, 2010).

¹³³ *Id.*

¹³⁴ Kris Maher, *SEIU Campaign Spending Pays Political Dividends*, Wall Street J, May 16, 2009, available at: <http://online.wsj.com/article/SB124243785248026055.html> (last visited Feb. 12, 2010); See Sam Stein, *EFCA Ad War Heats Up: SEIU Responds to Chamber's Latest* Huffington Post, April 13, 2009, available at: http://www.huffingtonpost.com/2009/04/13/efca-ad-war-heats-up-seiu_n_186292.html; see also http://www.beyondchron.org/articles/SEIU_Launches_National_Campaign_for_Change_That_Works__6467.html

¹³⁵ *SEIU Members to Politicians: Live Up to Your Promises Or We Will Hold You Accountable*, available at: <http://www.seiu.org/2008/05/seiu-members-to-politicians-live-up-to-your-promises-or-we-will-hold-you-accountable.php>. Washington Wire, *SEIU's Stern Tops White House Visitor List*, WALL STREET J., Oct. 30, 2009, available at: <http://blogs.wsj.com/washwire/2009/10/30/seiu-stern-tops-white-house-visitor-list/tab/article/> (last visited Feb. 8, 2010).

appointed by ACORN in Missouri. He worked as a field organizer for 11 years for ACORN and claimed he was promoted out of necessity. The insider claims the pressure to hire minorities in ACORN's leadership led to his promotion.

The other insider is an organizer who was fired from ACORN and joined SEIU Local 2000 as its political director. He stated that, during his experience with SEIU, he was required to make a direct donation to an SEIU-sponsored Political Action Committee.¹³⁶ According to this insider, there was a pre-arrangement between SEIU and ACORN where SEIU paid ACORN for political advocacy.¹³⁷ Subsequently, SEIU gave money to ACORN through its PAC/COPE. Allegedly, SEIU's field campaigns are also run by ACORN.¹³⁸ This insider illustrated the ACORN-SEIU connection as follows:

Jobs for Justice is a 501(c)(3) housed in the SEIU office which, together with Missouri Progressive Vote Coalition (MO Pro Vote), is displacing the role of ACORN. ACORN and SEIU local offices in Missouri got together to put the minimum wage initiative on the ballot instead of the tobacco tax initiative Money that ACORN gets to pay employees comes from SEIU. Ex-ACORN employees all went to SEIU.¹³⁹

| Table 6. SEIU Contributions to ACORN | | | | | |
|---|-----------------------|-----------------------|---------------------|---------------------|-----------------------|
| Transaction Type | 2005 | 2006 | 2007 | 2008 | Total |
| Contributions, Gifts, and Grants | \$94,000.00 | \$197,703.00 | \$140,350.00 | \$0.00 | \$432,053.00 |
| General Overhead | \$185,528.00 | \$136,108.00 | \$246,833.00 | \$248,015.00 | \$816,484.00 |
| Political Activities | \$64,564.00 | \$81,423.00 | \$112,356.00 | \$339,982.00 | \$598,325.00 |
| Representational Activities | \$2,070,212.00 | \$1,026,957.00 | \$282,811.00 | \$318,980.00 | \$3,698,960.00 |
| Union Administration | \$50,089.00 | \$13,427.00 | \$0.00 | \$0.00 | \$63,516.00 |
| Total | \$2,464,393.00 | \$1,455,618.00 | \$782,350.00 | \$906,977.00 | \$5,609,338.00 |

2. SEIU and ACORN remain co-conspirators

In the previous ACORN Report, the Committee claimed ACORN's use of employee health funds to pay back Dale Rathke's embezzlement debt might constitute a violation of the Employee Retirement Income Security Act (ERISA). The Committee

¹³⁶ Interview, Committee Staff and Insider 1 (ACORN, SEIU) and Insider 2 (ACORN), Jan. 14, 2010 (on file with author).

¹³⁷ *Id.*

¹³⁸ *Id.*

¹³⁹ *Id.*

has since confirmed that these health funds were indeed ERISA funds. According to Interim Staff Management Committee notes, ACORN has an ERISA plan with “30-40 employees listed in terms of being involved in the council”¹⁴⁰ The document further stated “ACORN found [ACORN Beneficial Association] – Wade, Helen O'Brien head the [ERISA] Funds,” “Funders were supposed to go into the [Council Health Plan] and [Council Beneficial Association],” and “There are thoughts of this money being used to pay off Dale’s debt.”¹⁴¹

The original ACORN Report claimed Wade Rathke’s LM-2 filing was fraudulent. New evidence indicates “[t]he local 100 paperwork that unions had to file – there are questions on if proper paperwork was filed, especially in terms of finances going to Wade.”¹⁴² Documents reflect ACORN board members stating “How do we get to a LEGAL system?” and, though being a taxable corporation, stating “We will need a determination letter, not required but helpful in this matter.”¹⁴³ Moreover, ACORN board members admitted to “[d]elinquent contributions – IRS, Department of Labor can come after the organization for these issues . . . The Government will and can go after ACORN.”¹⁴⁴

The previous ACORN Report concluded that ACORN conspired to defraud the United States by using taxpayer funds for partisan political activities. ACORN submitted false filings to the DOL, in addition to violating the Fair Labor Standards Act. ACORN falsified and concealed facts concerning an illegal transaction between related parties in violation of ERISA. ACORN has failed to comply with the Labor-Management Reporting and Disclosure Act of 1959 as well as the Employee Retirement Income Security Act of 1974.¹⁴⁵

Based upon filings with the Virginia State Board of Elections, ACORN-affiliate SEIU Local 32BJ NY/NJ American Dream Fund PAC registered as a political action committee in the state of Virginia. According to Virginia filings, SEIU Local 32BJ NY/NJ America Dream Fund PAC is an “ACORN Affiliate” and in 2008 gave campaign contributions to Gerry Connolly for Chairman.¹⁴⁶ An email from Elisa Long, a policy analyst at the Virginia State Board of Ethics to Martha Brissette, a lawyer for the Virginia State Board of Ethics, stated, “I believe ACORN came back into Virginia in 2008 using the name Community Voters Project in order to avoid being connected to the problems created by their 2005 campaign when they operated under ACORN/Project Vote. It worked.”¹⁴⁷

¹⁴⁰ ISM Committee Meeting Notes, July 29, 2008 (on file with author) at 3.

¹⁴¹ *Id.* at 3-4.

¹⁴² *Id.* at 3.

¹⁴³ *Id.*

¹⁴⁴ *Id.*

¹⁴⁵ See Minority staff report, *Is ACORN Intentionally Structured As a Criminal Enterprise?* COMM. OVERSIGHT AND GOV’T REFORM (2009) at 57, available at: <http://republicans.oversight.house.gov/media/pdfs/20090723ACORNReport.pdf> at 3-6.

¹⁴⁶ ACORN Affiliates at 1, Nov. 6, 2009 (on file with author).

¹⁴⁷ Email from Elisa Long to Martha Brissette (Nov. 5, 2009).

On September 30, 2009, Anna Burger, secretary-treasurer for SEIU International, stated before the House Financial Services Committee that “SEIU has also cut all ties to ACORN.”¹⁴⁸ But as this report clearly shows, SEIU has never cut ties to ACORN.¹⁴⁹ When Ms. Burger made the above statement, SEIU International was transferring assets, liabilities, equity, officers, and membership from SEIU Local 880 to SEIU Healthcare Illinois and Indiana.¹⁵⁰ As Table 6 illustrates, although the name has changed, the connections and personnel have remained the same, ensuring ACORN’s continued influence on and partnership with SEIU. SEIU and ACORN appear to be very much involved still today. According to ACORN/SEIU insiders:

There is “no way” SEIU has separated itself from ACORN. “[Anna Burger] lied.” The relationship between ACORN and SEIU was “seamless.”¹⁵¹

According to an Arnold, Missouri city councilman, “the use of taxpayer funds for the Jefferson County 911 Proposition and involvement of SEIU/ACORN/PowerUnion and about 100 others . . . is a very complicated arrangement by design. It is so intentionally designed to deceive [sic] . . . Voters lists were purchased from the Missouri [sic] Democratic Party and the SEIU Phone Dialer on Pershing Ave. in the City of St. Louis was used. I believe some \$20,000 taxpayer dollars were paid to SEIU for the use of the dialer.”¹⁵²

In fact, according to LM-2 political contribution filings, the following entities received political contributions from SEIU and are affiliated with ACORN¹⁵³:

1. ACORN
2. ACORN Houston
3. ACORN Michigan
4. ACORN New Mexico
5. Advancement Project
6. America Votes Inc
7. Catalist LLC
8. Change To Win Political Education
9. Healthcare for America Now
10. Jobs With Justice
11. Missouri Progressive Vote Coalition
12. San Francisco Labor Council Labor & Neighbor Independent Expenditure PAC
13. SEIU American Dream Fund
14. SEIU Healthcare Illinois Indiana

¹⁴⁸ Available at http://www.house.gov/apps/list/hearing/financialsvcs_dem/hr_092309.shtml.

¹⁴⁹ Interview, Committee Staff and Insider 1 (ACORN, SEIU) and Insider 2 (ACORN), Jan. 14, 2010 (on file with author).

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² Email, Matthew Hay to Committee Staff, Re: SEIU and ACORN, Jan. 12, 2010 1:44PM (on file with author).

¹⁵³ SEIU, Political Contributions (Form LM-2), at *passim* (2009).

15. SEIU Healthcare Illinois Indiana PAC
16. SEIU Illinois Council PAC Fund
17. SEIU Local 1199
18. SEIU Local 1199 NJ Health
19. SEIU Local 1199 United Healthcare Workers East
20. SEIU Local 32BJ
21. SEIU Local 880
22. SEIU Local 880 Political Action Committee
23. SEIU Missouri State Council Pac Fund
24. SEIU NJ State Council AFL-CIO
25. The Advance Group
26. The Democracy Alliance
27. Working Families Campaign Committee
28. Working Families For Progressive Leadership
29. Working Families Party

Of particular notice is the lobbying shop, The Advance Group. In 2007, New York ACORN hired The Advance Group as its principal lobbyist.¹⁵⁴ ACORN paid The Advance Group and its additional lobbyists \$50,000.00 to target the New York City Council for funding.¹⁵⁵ ACORN paid The Advance Group \$30,000.00 to target the New York City Council, the New York State Senate, and the New York State Assembly for funding.¹⁵⁶ However, even as Scott Levenson of the Advance Group worked as ACORN's outside lobbyist, Levenson also designated himself as ACORN's national spokesman to media outlets including Fox News.¹⁵⁷ Despite lobbying for ACORN in 2007 and perhaps earlier, The Advance Group and Scott Levenson did not register as the principal lobbyist for "NY ACORN" until January 15, 2008.¹⁵⁸

VI. ACORN and the Financial Collapse

ACORN's infamous Muscle for Money Program, which was created by SEIU, was used with the Community Reinvestment Act to pressure banks and lenders into relaxing home mortgage lending standards – a process that financially benefited ACORN. According to economic historian Johan Norberg, "ACORN shared the objective of wringing out more subprime mortgages."¹⁵⁹ Norberg clarifies this process in detail:

One reason politicians decided to publicize information about mortgages and CRA grades was to encourage public debate about them. Their tactic worked: various citizens' groups started to

¹⁵⁴ NEW YORK CITY LOBBYIST DATABASE, *available at*: <http://www.nyc.gov/lobbyistsearch/>.

¹⁵⁵ *Id.*

¹⁵⁶ *Id.*

¹⁵⁷ Video excerpt from the Fox News Program with Megyn Kelly, YOUTUBE, *available at*: http://www.youtube.com/watch?v=3PS4pJb_QVM (2009).

¹⁵⁸ *See* The Advance Group, 2008 LOBBYING REGISTRATION, LOBBYING DISCLOSURE ACT OF 1995 (SECTION 4), *available at*: <http://lobbyingdisclosure.house.gov>.

¹⁵⁹ JOHAN NORBERG, FINANCIAL FIASCO: HOW AMERICA'S INFATUATION WITH HOME OWNERSHIP AND EASY MONEY CREATED THE ECONOMIC CRISIS, (2009) at 35.

pressure banks into expanding their lending. One of these groups was the Association of Community Organizations for Reform Now, and one of its most successful activists was Madeleine Talbott at ACORN Chicago. She launched meetings for banks that agreed to lower their creditworthiness requirements and reduce down payments they demanded, and she organized protest rallies against those that did not. Her goal was to push banks—“kicking and screaming”—into more generous lending practices. . . . Madeleine Talbott of ACORN was a key player when several financial institutions agreed in 1993 to launch an innovative national \$55 million package to give home loans to households on low incomes and with low creditworthiness. . . . the CEO of Countrywide, a mortgage giant, who during a solemn meeting with Henry Cisneros had signed a pledge to use “proactive creative efforts” to expand homeownership to minorities and people with low incomes. In 1996, Countrywide opened a division dedicated to subprime mortgages.¹⁶⁰

A. ACORN’s Contribution to the Housing Crisis

The financial crisis of 2008 was in large part created by the collapse of the housing market. Last year, the Committee published a report detailing the role the Community Reinvestment Act (CRA) played in the housing market collapse by forcing lenders to grant home loans to risky applicants who defaulted on loans once they could not afford to pay them off.¹⁶¹ At the center of this report was the relationship between Government Sponsored Enterprise Fannie Mae and Countrywide Financial Corporation. According to *Investor’s Business Daily*, Fannie Mae CEO Franklin Raines “steered Fannie Mae business to subprime giant Countrywide Financial.”¹⁶² Years before the bubble burst, in 1999, a *New York Times* article on Fannie Mae’s relaxed mortgage lending standards quoted Peter Wallison, a fellow at the American Enterprise Institute, as stating, “If they fail, the government will have to step up and bail them out”.¹⁶³

Over the past few months, additional evidence has been uncovered which suggests that ACORN and ACORN Housing Corporation (AHC) enabled the lead up to and profited from the housing market collapse by coercing lenders into entering into

¹⁶⁰ *Id.* at 28-29. See also HEIDI SWARTS, ORGANIZING URBAN AMERICA: SECULAR AND FAITH-BASED PROGRESSIVE MOVEMENTS, at 95 (2008) (“Nationally, ACORN has negotiated landmark agreements with banks all over the country, making over a billion dollars available for loans in low-income neighborhoods. It helped preserve the federal Community Reinvestment Act that made these agreements possible”).

¹⁶¹ See Minority staff report, *The Role of Government Affordable Housing Policy in Creating the Global Financial Crisis of 2008* (2009), available at: <http://republicans.oversight.house.gov/images/stories/Reports/20090707HousingCrisisReport.pdf>

¹⁶² Editorial, *The Real Culprits In This Meltdown*, INVESTOR’S BUSINESS DAILY, Sept. 15, 2008, available at: <http://www.ibdeditorials.com> (last visited Feb. 7, 2010).

¹⁶³ Steven A. Holmes, *Fannie Mae Eases Credit To Aid Mortgage Lending*, N.Y. TIMES, Sept. 30, 1999, available at: <http://www.cbrusven.com/xsites/Agents/cbrusven/content/uploadedFiles/ExplainingTheMortgageMess.pdf> (last visited Feb. 7, 2010).

these very risky loan agreements. ACORN's national and local organizations have been powerful forces in persuading federal and local governments to loosen loan standards and prevent efforts to tighten loan standards. Second, AHC used the CRA and coercive tactics to pressure banks into lowering loan standards and entering into special agreements with AHC, in which AHC is the main beneficiary.

B. ACORN Lobbying Efforts

FINDING: *ACORN Housing Corporation (AHC) used agreements with banks to provide a variety of benefits for their organization, while not necessarily helping, and sometimes exploiting, the low-income citizens they claim to help.*

ACORN's national organization has a long history of using public demonstrations and other intimidation tactics to persuade policymakers to loosen loan underwriting standards. Notably in 1991, ACORN organized a takeover of a congressional hearing room in order to halt planned reforms of the CRA. The proposed reforms would have allowed banks to take credit for providing loans to non-minority applicants and would have allowed the GAO to investigate whether the way in which federal agencies were complying with CRA was not inadvertently encouraging banking institutions to enter into risky loan agreements.¹⁶⁴ According to ACORN's own website, "ACORN members staged a two-day takeover of the House Banking Committee hearing room to be sure their voices were heard by Congress. They stood in line overnight and took seats normally occupied by bank lobbyists."¹⁶⁵ Not surprisingly, the reforms to CRA were defeated

ACORN also played a large role in the passage of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.¹⁶⁶ This Act, commonly known as the "GSE Act," heavily affects government-sponsored enterprises (GSE's), Fannie Mae and Freddie Mac. The GSE Act did the following:

- Imposed "an affordable housing mandate on Fannie Mae and Freddie Mac (the GSEs)" in which quota standards for loans to middle and low-income individuals would be set by the Department of Housing and Urban Development (HUD).¹⁶⁷
- Ordered "GSEs to consider a loosening of their underwriting standards to accept down payments of 5% or less."¹⁶⁸

¹⁶⁴ H.R. 6, 102nd Cong. (1991)

¹⁶⁵ *Acorn History: 1990-1995*, ACORN, Available at: <http://www.acorn.org/index.php?id=12443> (last visited Jan. 28, 2010).

¹⁶⁶ Edward Pinto, *Acorn and the Housing Bubble*, WALL STREET J, Nov. 12, 2009, available at: <http://online.wsj.com/article/SB10001424052748703298004574459763052141456.html> (last visited Feb. 8, 2010).

¹⁶⁷ Edward Pinto, *From a Tiny ACORN a Mighty Housing Bubble Grew*, WALL STREET J. [Draft], Sep 21, 2009. (on file with author).

¹⁶⁸ *Id.*

- Forced GSE's to "ignore instances of impaired credit that were over 1 year old."¹⁶⁹
- Required GSE's "to devote 30 percent of their loan purchases to mortgages for low- and moderate-income borrowers."¹⁷⁰

These changes in loan standards for Fannie Mae and Freddie Mac were a radical change from previous policies. In particular, Fannie Mae, at the time, was known for its strict policies on lending standards, in which purchases of unconventional or risky loans were declined.¹⁷¹ These tight standards were in response to a string of foreclosures in 1982 that were blamed on Fannie Mae's policies of loose loan requirements that required down payments of only 5% and ignored the impaired credit of borrowers.¹⁷²

According to Edward Pinto, the former chief credit officer at Fannie Mae in the 1980s, the "changes worked, for starting with the very next year, loans with 5% down were once again performing at an acceptable risk level."¹⁷³ However, with the new standards in place as a result of the passage of the GSE Act, Fannie Mae was faced with the prospect of going down the same path that led to the long string of foreclosures during the early-1980's.

ACORN's role in getting the GSE Act passed should not be understated. As Edward Pinto describes, ACORN and other community groups helped draft the language that set affordable housing standards for Fannie Mae and Freddie Mac and were influential in getting the language that forced the GSE's to enact looser credit standards into the final bill:

[A]s Allen Fishbein, currently an adviser for consumer policy at the Federal Reserve, has noted, Acorn and other community groups were informally deputized by then House Banking Chairman Henry Gonzalez to draft statutory language setting the law's affordable-housing mandates. Interim goals were set at 30% of the single-family mortgages purchased by Fannie and Freddie, and the Department of Housing and Urban Development has increased that percentage over time. The goal of the community groups was to force Fannie and Freddie to loosen their underwriting standards, in order to facilitate the purchase of loans made under the CRA. Thus a provision was inserted into the law whereby Congress signaled to the GSE's that they should accept down payments of 5% or less, ignore impaired credit if the blot

¹⁶⁹ *Id.*

¹⁷⁰ Steven Malanga, *Obsessive Housing Disorder*, CITY JOURNAL, available at: http://www.city-journal.org/2009/19_2_homeownership.html.

¹⁷¹ *Id.*

¹⁷² Edward Pinto, *supra note* 174 at *id.*

¹⁷³ *Id.*

was over one year old, and otherwise loosen their lending guidelines.¹⁷⁴

During testimony before the House Financial Services Committee on September 16, 2009, Pinto made the case that ACORN advanced policies that affected the economic collapse:¹⁷⁵

- “Over the last twenty years, the percentage of conventional purchase money mortgages made with the borrower putting less than 10% down more than tripled from 8% in 1990 to 29% in 2007.”
- “Over the period 1997-2007 the GSEs acquired a total of \$2.2 trillion in credit impaired loans and private securities backed by credit impaired loans. [T]he GSEs were leader in this regard.”
- “As a result of the combined CRA and AH [affordable housing] volume explosion that started in 1993, the nation’s homeownership rate, after being level for over 30 years, began to grow rapidly from 1994 when it was at 64.2%, to 68% by 2001, and peaking at 69.2% in 2004.”
- “The GSEs’ delinquency rate on their \$1.5 trillion in high risk loans, 85% of which are goals rich AH loans, is 15.5%. [as of June 30, 2009]. This is about 6.5 times the 2.4% delinquency rate on the GSEs’ traditionally underwritten loans.”

According to experts like Pinto, the changes in loan production brought about by the policies that ACORN helped to protect, and the policy changes that ACORN promoted, were a large contributor to the creation of the housing price bubble from 1997-2007.¹⁷⁶ The following chart, which was used as part of testimony given by Edward Pinto before the House Financial Services Committee in the fall of 2009, demonstrates the explosion of GSE and CRA loans following the policy changes advocated by ACORN and the relationship of this explosion to Housing prices¹⁷⁷:

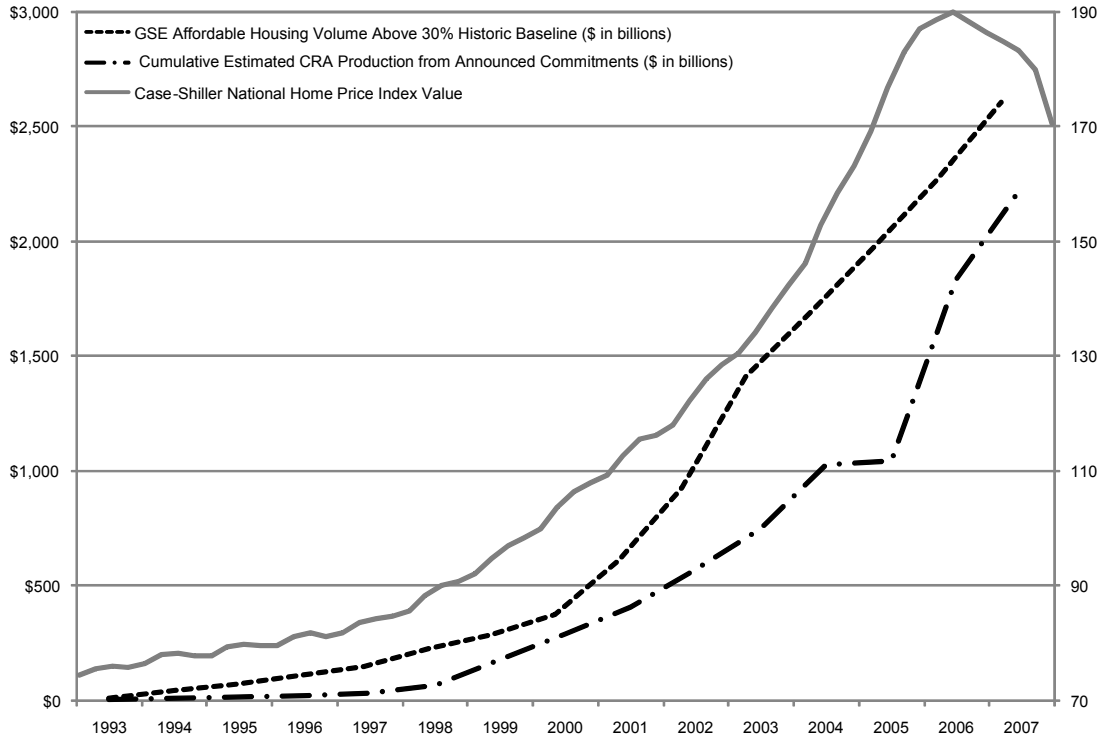
¹⁷⁴ Edward Pinto, *Acorn and the Housing Bubble*, WALL STREET J, Nov. 12, 2009, available at: <http://online.wsj.com/article/SB10001424052748703298004574459763052141456.html> (last visited Feb. 8, 2010).

¹⁷⁵ Written Testimony of Edward Pinto, Comm. Financial Services, Proposals to Enhance the Community Reinvestment Act, September 16, 2009, available at: http://www.house.gov/apps/list/hearing/financialsvcs_dem/pinto_testimony.pdf

¹⁷⁶ *Id.*

¹⁷⁷ *Id.*

CRA Production and GSE Affordable Housing Purchases Relationships to National Home Price Index



The production of GSE and CRA loans started to increase exponentially around 1997, only five years after the GSE Act--which ACORN drafted--was enacted. Furthermore, the increase in the production of GSE and CRA loans coincided with increases in the National Home Price Index, which measures changes in the value of the U.S. residential housing market. The National Home Price Index increased until around 2006, when borrowers began to default on loans they had no ability to pay for—as a result, the housing bubble burst.

A November 19, 2009 news report stated ACORN Housing negotiated with lenders to serve its own interests, failing to actually help the foreclosed-upon individuals the organization is federally mandated to protect.¹⁷⁸ According to a column by Edward Pinto in the *Wall Street Journal*, ACORN was deputized to draft model CRA legislation

¹⁷⁸ Sonya Heitshusen, *ACORN HEADACHE: A group that's supposed to help homeowners in foreclosure has dropped out of sight in the metro*, 13WHOTV, Nov. 19, 2009, available at: <http://www.whotv.com/news/who-story-acorn-headache-111809.0.4197686.story>

and then became the largest player in government policies that lowered mortgage-lending standards, the cause of the housing bubble that led to the financial collapse.¹⁷⁹

C. ACORN Actions against Banking Institutions

FINDING: *The AHC used the Community Reinvestment Act provisions and coercive threats to force banks into lowering loan underwriting standards and entering into agreements that funneled profits to ACORN.*

ACORN affiliate, ACORN Housing Corporation (AHC), has also used CRA provisions and coercive tactics to pressure banks into lowering loan standards and entering into special agreements with AHC, in which AHC is the main beneficiary.

Heidi Swarts, currently an Assistant Professor of Political Science at Rutgers, was allowed to directly participate and observe the activities of ACORN and other social organizations when writing her PhD dissertation. She found that ACORN uses the CRA and other protest tactics to persuade banks to loosen loan standards and make agreements with AHC:

ACORN uses provisions in the Community Reinvestment Act of 1977 that allow community groups to challenge bank mergers and acquisitions if a bank has not adequately invested in its own community. These challenges, which often feature ACORN's standard protest tactics, have successfully forced St. Louis banks to make lending agreements with ACORN Housing if they want a pending merger to be approved. Then ACORN Housing acts as a conventional service provider. St. Louis ACORN has negotiated agreements with Boatmen's, Landmark, First Bank, First Nationwide, Allegiant, Roosevelt, Magna, Nationsbank, Firststar, and other banks.¹⁸⁰

Swarts further noted:

Nationally ACORN has negotiated landmark agreements with banks in St. Louis, Baton Rouge, Boston, Bridgeport, New York City, Jersey City, Philadelphia, Phoenix, Denver, Little Rock, New Orleans, Chicago, Minneapolis-St. Paul, Brooklyn, Des Moines, Dallas and Washington, D.C., making over a billion dollars available for loans in low- income neighborhoods.¹⁸¹

¹⁷⁹ Edward Pinto, *Acorn and the Housing Bubble*, WALL STREET J., Nov. 12, 2009, available at: <http://online.wsj.com/article/SB10001424052748703298004574459763052141456.html>

¹⁸⁰ Heidi Swarts, *Grassroots Community Organization: Invisible Actors in American Urban Politics*. (Dissertation) Aug 2002, at 84-85 (on file with author).

¹⁸¹ *Id.* at 74-75.

AHC has frequently used litigation, under supposed CRA violations, to gain concessions from banks in their loan standards. In correspondence with this Committee, a representative from HSBC noted the following about an agreement entered into with AHC as a result of litigation pursued by ACORN:

In 2003, various HSBC Finance Corporation (formerly Household International, Inc.) consumer mortgage lending entities agreed to the settlement of litigation that included as an additional plaintiff, the Association of Community Organizations for Reform Now (‘ACORN’). The settlement agreement included a foreclosure avoidance program that provided relief to HSBC borrowers who were delinquent on their payments and at risk of losing their homes.¹⁸²

According to a flyer distributed by AHC to prospective clients, AHC had formed agreements with a wide variety of lenders to work out “repayment plans, forbearance plans, loan modifications, refinances and partial claims” for individuals who were behind on their loans.¹⁸³ The following is the list of lenders whom AHC had agreements with according to their flier: ABN/AMRO, Ameriquest, ASC Mortgage, Bank of America, Chase, CitiFinancial, CitiMortgage, Countrywide, Dovenmuehle Mortgage, EMC Mortgage, First American, GMAC, Green Tree Servicing, Homecomings Financial, HomeEq, Household/Beneficial, M&T Bank, National City, New Century, Oewen Servicing, Option One, PHH/Cendant, Saxon Mortgage, Standard Mortgage, U.S. Bank, Wachovia, Washington Mutual, and Wells Fargo.¹⁸⁴

Table 7. Relationship of ACORN Housing, Inc. with Banking Institutions

| Banking Institution | Money Given to ACORN Housing (1993-2008) | Agreements or Settlements Made with ACORN Housing | Did ACORN Use Litigation? |
|----------------------------|---|---|----------------------------------|
| Bank of America | \$13,500,000.00 | <ul style="list-style-type: none"> • Supported ACORN Housing’s efforts to provide counseling services • Entered a service agreement with ACORN Housing in which ACORN Housing receives payments for referrals for counseling and home preservation services | No |
| JPMorgan Chase & Co. | \$9,467,388.00 | <ul style="list-style-type: none"> • Provided grants to ACORN Housing to support affordable housing and foreclosure prevention programs in low and moderate income communities | No |
| Citi | \$8,075,000.00 | <ul style="list-style-type: none"> • ACORN assisted Citi in making contact with | No |

¹⁸² Letter from HSBC’s Deputy Chief Executive Officer to Rep. Darrell Issa., Oct. 9, 2009, (on file with author).

¹⁸³ ACORN Lenders Flier (2007) (on file with author).

¹⁸⁴ *Id.*

| | | | |
|-----------------------|-----------------|---|-----|
| | | <p>distressed borrowers and negotiating loan modifications to keep these individuals in their homes</p> <ul style="list-style-type: none"> • Provided support to ACORN for financial education programs | |
| HSBC | \$7,441,789.00 | <ul style="list-style-type: none"> • Conducted a foreclosure avoidance program to provide relief to HSBC borrowers delinquent in their payments and at risk of losing their homes, as a result of a settlement to resolve outstanding litigation between ACORN Housing and HSBC • Provided funding for ACORN-sponsored financial counseling and literacy programs, as a result of a settlement to resolve outstanding litigation between ACORN Housing and HSBC | Yes |
| CapitalOne | \$1,400,000.00 | <ul style="list-style-type: none"> • Provided grants to ACORN Housing made for the purposes of Hurricane Katrina disaster relief, promotion of affordable home ownership, and financial literacy • Provided a grant to ACORN Housing as an outcome of a settlement reached in 2006 to resolve outstanding litigation between ACORN Housing and Capital One | Yes |
| SunTrust | \$41,443.13 | <ul style="list-style-type: none"> • Crestar Bank (affiliate of SunTrust) paid ACORN Housing to counsel mortgage applicants and refer these applicants to Crestar Bank in 1993 • ACORN Housing agreed to conduct financial education seminars and pre-home purchase counseling on behalf of Crestar Bank in 1997 | No |
| Total Spending | \$39,925,620.13 | | |

One of the benefits that AHC was able to extract from banks through the use of coercive tactics was grant funding. As a result of our investigation into ACORN, this Committee received letters from representatives of fourteen different banking institutions detailing their relationships with ACORN and its affiliates. Information highlighted from these letters can be found in Table 7. As Table 7 demonstrates, between 1993 and 2008, AHC has received a total of **\$39,925,620.13** from Bank of America, JPMorgan Chase & Co., CitiBank, HSBC, CapitalOne, and SunTrust. There are serious concerns that AHC transfers portions of this money to ACORN headquarters for political purposes. During a special forum on ACORN's practices conducted jointly by the Republican Members of the House Committee on Oversight and Government Reform and the House Judiciary Committee, Anita MonCrief, a former employee of ACORN, stated the following concerning the use of money AHC received from the federal government, banking institutions, and charitable organizations:

That money goes into the national ACORN coffers. If they would actually go out and fix the things they say they were going to fix, that money would eventually dry up...They may have a housing counseling session, but it's usually run by a poorly trained worker whose main goal is to increase ACORN membership. They're not really doing anything with the money they're getting besides using

it to fund the political machine. What little they do use for actual programs, it still does not justify what they've gotten from the government and from private foundations over the years and as long as they keep people poor, they will continue to get the money to fix the same problems in the neighborhoods.¹⁸⁵

These grants are often obtained by AHC through the use of coercive tactics, including the threat of litigation. Table 7 shows several grants received by AHC from CapitalOne and HSBC were a result of litigation settlements between AHC and banking institutions. CapitalOne's representative stated, "ACORN received a grant from us as an outcome of a settlement we reached in 2006 with the Attorney General of the State of Minnesota that resolved outstanding litigation."¹⁸⁶ HSBC's representative stated that the settlement of a dispute between AHC and HSBC included "\$6 million funding . . . over a three-year period for ACORN-sponsored financial counseling and literacy programs."¹⁸⁷

1. The Banks and ACORN ran a profitable partnership

Another way that AHC benefited from agreements with banks was through referring potential clients to each other. For instance, a representative from Bank of America described service agreements between AHC and Bank of America where "AHC receives payments for referrals for counseling services and home preservation services."¹⁸⁸ Furthermore, as a SunTrust representative described, in 1993, "Crestar Bank (an affiliate of SunTrust) paid ACORN Housing Corporation to counsel certain mortgage applicants and refer such applicants to Crestar Bank."¹⁸⁹

Table 8. Top Mentions of Lending Institutions in ACORN Referral Documents

| Institution | Number of Mentions | Established Relationship with ACORN |
|----------------------------|--------------------|-------------------------------------|
| Countrywide | 234 | Yes |
| American Servicing Company | 88 | Yes |
| Chase Home Mortgage | 66 | Yes |
| EMC Mortgage Corp. | 61 | Yes |
| Option One Mortgage Co. | 59 | Yes |
| Washington Mutual (WaMu) | 47 | Yes |
| HomeEq Servicing | 45 | Yes |
| Wells Fargo | 44 | Yes |
| GMAC Mortgage | 40 | Yes |

¹⁸⁵ Testimony of Anita MonCrief, Comm. Oversight and Gov't Ref & Comm. Jud., ACORN Forum, Dec. 1, at 1

¹⁸⁶ Letter from Lawrence J. Stein, CapitalOne's Senior Vice President, Policy Affairs to Rep. Darrell Issa (Oct. 15, 2009) (on file with author).

¹⁸⁷ Letter from Niall S.K. Booker, HSBC's Deputy Chief Executive Officer to Rep. Darrell Issa (Oct. 9, 2009) (on file with author).

¹⁸⁸ Letter from John Collingwood, Bank of America to Rep. Darrell Issa (Oct. 21, 2009) (on file with author).

¹⁸⁹ Letter from McHenry Kane, SunTrust to Rep. Darrell Issa. (Oct. 14, 2009) (on file with author).

| | | |
|----------------------------------|----|-----|
| Homecomings Financial | 39 | Yes |
| Litton Capital Mortgage | 38 | No |
| Saxon | 38 | Yes |
| Select Portfolio Servicing, Inc. | 34 | No |
| Ocwen Financial Corp. | 33 | Yes |
| HSBC Bank | 32 | No |
| Wilshire Credit Corp. | 29 | No |
| First Franklin Financial | 28 | No |
| CitiBank | 27 | Yes |
| Ameriquest Mortgage | 22 | Yes |
| American Mortgage Corp. | 20 | No |
| Bank of America | 20 | Yes |
| Household Financing Corp. (HFC) | 16 | No |
| New Century Mortgage | 16 | Yes |
| DL Mortgage | 15 | No |

Furthermore, evidence obtained by this Committee indicates that AHC has entered into agreements with banks that provide contact information about individuals who are in danger of foreclosure. This Committee obtained access to records of individuals referred to AHC from corporate lenders, including Countrywide and Citibank.¹⁹⁰ Table 8 presents a list of lenders who represented the most individuals in these referral records. Of the top 25 lenders listed on Table 8, 16 were also included in the list of lenders in the flier referred to above, with whom AHC has established relationships. On the basis of these relationships, banking institutions provided AHC with lists of lenders who were at risk of foreclosure.¹⁹¹

While AHC claimed obtaining these referral lists would help clients, these lists were financially valuable to AHC. On October 26, 2009, ACORN's General Counsel stated ACORN makes \$48 million a year from membership fees.¹⁹² According to information obtained by Heidi Swarts during her time as a participant-observer of ACORN's practices, AHC used foreclosure assistance as an incentive to get individuals to sign up with ACORN's national organization.

Locals like SL ACORN, which include branches of the ACORN Housing Corporation or Hiring Hall, boost their income through selective incentives-that is, they recruit members from those who apply for low-cost home loans or job referrals... ACORN's services also helped recruit dues-paying members, and staff attempted to link these recruits to related political campaigns.¹⁹³

¹⁹⁰ Acorn Referral Master (Feb. 27, 2008) (on file with author).

¹⁹¹ *Id.*

¹⁹² Lincoln Anderson, *Right has ACORN on ropes, but fight isn't over: Attorney*, THE VILLAGER, Oct. 21-27, 2009, available at: http://www.thevillager.com/villager_338/righthas.html

¹⁹³ Heidi Swarts, *Grassroots Community Organization: Invisible Actors in American Urban Politics*, Aug 2002, 84-85, 101 (on file with author).

During a special congressional forum on ACORN's practices, Anita MonCrief, a former employee of ACORN, confirmed that ACORN uses foreclosure advice in order to sign up more members.

When they do their housing counseling sessions . . . they used to have an option where you could either pay 20 dollars for a credit report or you could sign up to become a member of ACORN. The membership dues equal about 110 dollars per year or so . . . They were losing out on that one but a lot of people chose to sign up.¹⁹⁴

When asked whether individuals being signed up as members of ACORN were sophisticated enough to realize they were losing money, MonCrief stated:

I don't think so. There were numerous times when I would go to the fax machine and there would be angry letters from people saying, 'Please stop debiting my account. You've already overdrawn my account' and ACORN had a problem with actually going in and taking these people out of the system so sometimes they would have to request two or three times to stop the direct debits.¹⁹⁵

Information obtained by our committee confirms MonCrief's allegations. An ACORN insider stated, "ACORN would beat up on the banks."¹⁹⁶ According to the insider, CRA lenders and loan counselors would provide housing information to ACORN and ACORN used this information to register new members by claiming to provide free housing counseling.¹⁹⁷ ACORN "tricks" poor people through its membership drives where ACORN's organizers go door to door and recruit only those individuals who give their bank account information.¹⁹⁸ ACORN automatically drafts \$10 a month from the bank account.¹⁹⁹ Individuals later call ACORN's offices claiming, "I didn't know money would come out every month."²⁰⁰

The following e-mail is one of many obtained by the Committee in which an ACORN member requested repeatedly to stop being charged membership dues²⁰¹:

¹⁹⁴ Testimony of Anita MonCrief, Comm. Oversight and Gov't Ref & Comm. Jud., ACORN Forum, Dec. 1, at 1

¹⁹⁵ *Id.*

¹⁹⁶ Telephone Interview with Insider 2, Former Missouri ACORN Chief Organizer, and Insider 1, former ACORN and SEIU Employee (Jan. 14, 2010).

¹⁹⁷ *Id.*

¹⁹⁸ *Id.*

¹⁹⁹ *Id.*

²⁰⁰ *Id.*

²⁰¹ E-mail from frustrated ACORN member to Claudia Peralta, ACORN Financial Center (Apr 6, 2009) (on file with author).

Acorn Monthly Fee

2 messages

Mon, Apr 6, 2009 at 9:12 PM

To: Claudia Peralta <acornfinancialcenter@gmail.com>

Hi Claudia ----- The last time we spoke you confirmed that my monthly fee of \$10 would be canceled but today, I was charged again. PLEASE FIND OUT WHY I'M NOT REMOVED AND CALL OR EMAIL YOUR RESPONSE. I need assurance that ACORN will stop charging my account.

I appreciate your prompt feedback.....Greetings.....

--- On Thu, 3/5/09, wrote:

From:
Subject: Fw: Acorn Monthly Fee
To: "Claudia Peralta" <acornfinancialcenter@gmail.com>
Date: Thursday, March 5, 2009, 11:39 AM

Second request.....I appreciate your feedback.....

--- On Tue, 3/3/09, wrote:

From:
Subject: Acorn Monthly Fee
To: "Claudia Peralta" <acornfinancialcenter@gmail.com>
Date: Tuesday, March 3, 2009, 11:49 AM

Dear Claudia,

Please cancel my monthly \$10.00 charge - I can not continue these payments due to my financial situation. I hope you understand. Let me know you will take care of this and confirm that this month will be the last charge.

Thank you and take care,

VII. Conclusion

Information about ACORN's funding sources and secretive financial infrastructure provides critical insight into the organization's true purpose: political activity and increasing the power of ACORN's top officials. Committee investigators have identified hundreds of ACORN bank accounts, shell organizations incorporated under different sections of the internal revenue code, and even an ACORN controlled accounting firm (Citizens Consulting Inc.) that helps ACORN obscure the true use of charitable donations and taxpayer funds.

Documents and testimony from ACORN whistleblowers reveal that ACORN activities – despite contentions that they are intended to help the poor – fulfill a more self-serving and political purpose for ACORN.

Union organizing projects conducted by ACORN in conjunction with the SEIU provided ACORN with a funding source of dues paying union members, the opportunity to learn union “Muscle for the Money” strong-arm tactics, and access to labor friendly politicians such as former Illinois Governor Rod Blagojevich and officials in the current White House. ACORN actually controls two SEIU chapters, has shared office space with SEIU in nine cities, and a number of ACORN employees work simultaneously for SEIU.

ACORN and its affiliates receive taxpayer dollars and charitable contributions that are transferred through complex accounting structures to other ACORN affiliates that engage in partisan political campaigns. These accounting practices make it impossible to trace exactly how ACORN has spent the overwhelming majority of federal funds it receives. Evidence though makes clear that ACORN has falsified reporting in government filings and that large amounts of cash from ACORN’s charitable affiliates are transferred to ACORN entities that engage in or fund partisan political work.

ACORN Housing (AHC) financially profited from efforts to intimidate banks into lowering down payment and mortgage lending standards – a trend that contributed to the financial crisis. ACORN used provisions in the Community Reinvestment Act (CRA) of 1977 to challenge bank mergers and acquisitions. These challenges successfully forced banks to make lending agreements with ACORN Housing. ACORN is one of the few entities that actually profited from the misery created by the collapse of the housing bubble. ACORN Housing was able to become a Housing and Urban Development (HUD) approved housing counselor, and received address and bank account information from lenders and banks for counseling and home preservation services. ACORN then used this information to sign up more dues-paying members. Evidence obtained by investigators shows that a number of individuals who were signed-up as dues paying members did not understand the terms of their enrollment and had difficulty withdrawing their membership and getting ACORN to stop debiting their accounts. ACORN’s membership recruiting was highly profitable -- \$48 million a year for the organization.

Politically, SEIU, ACORN and its affiliates worked in coordination to advance the campaigns of Democratic candidates. Often, the same individuals who were making political decisions for SEIU and ACORN affiliates to support partisan candidates or ballot measures were also running voter turnout and registration efforts that used federal dollars and were legally required to be separated from partisan and advocacy efforts. This dynamic not only created a clear conflict that warrants further investigation, but also gave these individuals access to organizational funds that were transferred, without clear explanation, to ACORN entities that engaged in more overtly partisan activities.

Until recently, ACORN has largely been able to hide the extent of its most serious legal problems from scrutiny by media and public prosecutors. Nevertheless, ACORN is well aware of these problems as ACORN’s own attorneys have acknowledged and outlined the potential for criminal and civil violations in private documents for senior ACORN officials. In the past, the reluctance of prosecutors and other public officials to challenge ACORN’s illegal activities may have stemmed from concern about the perception of bringing legal action against an organization that purports to serve the poor.

More disturbingly, it could also be the fear of challenging an organization that has waged savage public campaigns and delivered subtle private threats to large banking institutions for its own financial gain, defeated former political allies who lost the senior leadership’s favor, and formed powerful alliances with the SEIU, state officials like former Illinois Governor Rod Blagojevich, and the Barack Obama White House.

Now, however as official investigations of ACORN have begun to begin to expose wrongdoing, more ACORN whistleblowers are coming forward with documented accounts of ACORN’s criminal conduct and partisan political aims. A much clearer picture of ACORN has emerged that is changing public perception of the organization. ACORN is a not a bumbling and disorganized non-profit whose employees made mistakes during voter registration drives, but rather a complicated and sophisticated conglomerate of for-profit and non-profit entities with ties to and allegiance from key public figures. Its senior leadership uses low level employees and the poor it purports to serve to fill the organization’s coffers and empowers the senior leadership to sit at the same table as the political candidates it helps elect.

This should be very troubling to all Americans. Political campaigns, taxpayer funds, and charitable donations are subject to regulations designed to protect their integrity. By abusing the rules of all three in furtherance of a political agenda, ACORN exploits the poor and vulnerable who are intended to derive benefit from public and private aid by diverting these resources to corrupt the democratic electoral process. Only by investigating and exposing the extent of this wrongdoing can prosecutorial officials across the United States understand the full scope of ACORN’s crimes – not as isolated misdeeds but as part of a coordinated effort to violate Federal, State, and local statutes designed to protect Americans from machine politics and cronyism in government.

VIII. Appendices

A. Table 9. State Governmental Investigations and Actions Taken against ACORN for Improper Conduct²⁰²

| State | Office | Investigation or Violation |
|--------------|--------------------------------|---|
| AR | Pulaski County Municipal Court | <ul style="list-style-type: none"> Project Vote employee was convicted and sentenced to 30 days of community service in 1998 for submitting more than 400 fake voter registration applications. Project Vote paid its employees \$1.00 for each voter registration application it received. |
| AR | State Police | <ul style="list-style-type: none"> The protest actions of ACORN organizers were investigated to determine whether they broke any laws when they prevented Gov. Huckabee from giving a civil rights speech, in 1998. |
| AZ | Secretary of State | <ul style="list-style-type: none"> Ian Curtiss (Designated Lobbyist for ACORN) failed to file Lobbyist Expenditure Report, in 2009. ACORN’s propensity to file fraudulent registrations and to turn in registrations after the filing deadline resulted in calls to reform voter registration system , in |

²⁰² Information used to make this table comes from correspondence between Rep. Issa and various state election authorities, along with information obtained from Lexis-Nexis searches as part of an investigation of ACORN conducted by the Department of Justice. Both of these information sources are on file with the author.

| | | |
|----|---|---|
| | | 2008. |
| CA | Attorney General | <ul style="list-style-type: none"> ACORN is the subject of an ongoing investigation after an undercover video was released, in 2009, showing ACORN employees advising individuals posing as a pimp and a prostitute on how to misrepresent their business activities in order to receive governmental assistance and how to smuggle girls across the U.S.- Mexican border to work as prostitutes in the U.S. |
| CA | Secretary of State | <ul style="list-style-type: none"> Investigation of questionable voter registration cards in San Diego County in 2009 uncovered the finding that half were connected to ACORN employees re-registering voters and indicated the possibility that re-registration was the result of ACORN's practice of paying employees for each registration card received |
| CA | Registrar of Voters in San Diego County | <ul style="list-style-type: none"> In 2008, 17.6% of voter registration cards turned in by ACORN's San Diego office were rejected for errors Of the cards rejected for errors, 39.7% had to be voided altogether because the intended voter could not be contacted due to errors made by ACORN employees |
| CO | Denver District Attorney | <ul style="list-style-type: none"> Two employees of ACORN were charged and convicted, in 2004, for soliciting and submitting fraudulent voter registration forms. ACORN employees were provided financial incentives for meeting certain quotas. |
| CT | State Elections Enforcement Commission | <ul style="list-style-type: none"> ACORN is the subject of an ongoing investigation of voter registration irregularities after Bridgeport voting officials complained that ACORN attempted to register a 7-year old girl as a voter. |
| DE | Public Integrity Commission | <ul style="list-style-type: none"> Delaware ACORN engaged in lobbying activities without having a registered lobbyist to represent them from 10/11/08-12/2/09 |
| FL | Brevard County Supervisor of Elections | <ul style="list-style-type: none"> Over 23 suspect registrations from ACORN were turned over to prosecutors, in 2008 |
| FL | Department of Law Enforcement | <ul style="list-style-type: none"> In 2009, 11 ACORN employees were arrested and charged with falsifying 888 voter registration forms. |

| State | Office | Investigation or Violation |
|--------------|-----------------------------------|---|
| FL | State Attorney's Office | <ul style="list-style-type: none"> • ACORN was investigated, in 2004, for submitting 14 potentially fraudulent voter registration applications, including an application that forged information about a former St. Petersburg mayor. |
| GA | Governor's Office | <ul style="list-style-type: none"> • In 2009, Gov. Perdue issued an executive order preventing any state agencies from giving money to ACORN and calling for an investigation of any existing contracts with ACORN. |
| IL | Board of Elections | <ul style="list-style-type: none"> • ACORN was asked to update contact information to maintain active status as a voter registration organization and it has yet to do |
| IL | Secretary of State | <ul style="list-style-type: none"> • ACORN received notices of filing delinquency in 2007 and 2008 for failing to file a semi-annual lobbyist registration, and 1st and 2nd half-year lobbyist expenditure reports |
| IN | Secretary of State | <ul style="list-style-type: none"> • NWI-ACORN employees with the assistance of national ACORN officials are alleged to have intentionally conspired to produce fraudulent, incomplete, or duplicate voter applications • NWI-ACORN employees with the assistance of national ACORN officials are alleged to have deliberately submitted registration forms late in the election season so that the proper authorities would not have enough time to verify these applications • ACORN is alleged to have used a refined business model with the intent of shielding ACORN and its officers from criminal liability • ACORN employees were alleged to have failed to turn in voter registration forms to the Lake County Board of Elections |
| KS | Secretary of State | <ul style="list-style-type: none"> • ACORN attempted to file as a charitable organization in July, 2009, but the filing contained errors and was returned with a request for corrections, which was not answered |
| LA | Attorney General | <ul style="list-style-type: none"> • ACORN was subpoenaed in 2009 for records related to an ongoing investigation of possible legal violations including failure to pay employee withholding taxes to the state, obstruction of justice, violation of the Employment Retirement Security Act, and the possibility that Dale Rathke's embezzlement included grant funds given to ACORN by various governmental entities. |
| LA | Office of Governor | <ul style="list-style-type: none"> • In 2009, Gov. Jindall issued an executive order to prevent any state money from being distributed to ACORN. |
| MD | Attorney General | <ul style="list-style-type: none"> • In 2009, Attorney General Gansler received permission from Gov. O'Malley to investigate the activities of ACORN and make prosecutions of individuals related to the conduct of the group, if wrongdoing is discovered. |
| MD | Board of Elections | <ul style="list-style-type: none"> • ACORN currently owes \$400.00 in fees from late campaign finance reporting for their PAC |
| MI | Attorney General | <ul style="list-style-type: none"> • In 2008, a former ACORN employee was charged and convicted of forgery for filling out, signing, and submitting 6 voter registration forms, using the names of two individuals without their permission. |
| MI | Secretary of State | <ul style="list-style-type: none"> • Project Vote was the subject of an investigation, in 2004, for allegedly submitting fraudulent applications and re-registering individuals who were already registered. • ACORN was investigated, in 2008, for submitting duplicate voter registration forms and attempting to register individuals who did not exist. |
| MN | Hennepin County Attorney's Office | <ul style="list-style-type: none"> • A former ACORN canvasser, also suspected of submitting duplicates of completed registration cards, was charged with failure to turn in voter registration cards, in 2004 • An investigation into a case where an ACORN canvasser submitted multiple voter registration cards for the same person was dismissed when the canvasser died. • The late submission of voter registration cards by St. Paul ACORN was investigated in 2008 |

| State | Office | Investigation or Violation |
|--------------|--|---|
| MN | Ramsey County Elections Office | <ul style="list-style-type: none"> In 2008, nearly half of the voter registration cards turned in by Minnesota ACORN in Ramsey County were held longer than the 10 days allowed by Minnesota state law |
| MO | Kansas City Board of Election Commissioners | <ul style="list-style-type: none"> In 2006, ACORN's voter registration activities were investigated when its employees submitted fraudulent voter registration applications. This investigation led to the conviction of four former ACORN employees. In 2008, ACORN submitted about 6,500 questionable voter registration applications that had to be checked for irregularities. |
| MO | St. Louis Election Board | <ul style="list-style-type: none"> In 2006, ACORN submitted at least 1,492 potentially fraudulent voter registration cards to the St. Louis Election Board. |
| MO | U.S. District Court for the Western District of Missouri | <ul style="list-style-type: none"> Four former ACORN temporary employees were convicted of voter registration fraud in 2007. |
| MS | Office of Governor | <ul style="list-style-type: none"> Executive order ordered the State Fiscal Officer to conduct a review of Mississippi's relationship with ACORN and prohibited all state agencies from entering into contracts with or providing any financial assistance to ACORN or its affiliates |
| NC | Board of Elections | <ul style="list-style-type: none"> Preliminary investigation into 2008 ACORN voter registration activities in Durham, NC uncovered around 100 voter applications submitted by ACORN that contained fraudulent or duplicated information. ACORN employees were subject to registration quotas, in North Carolina. As a result of the investigation, the NC Attorney General has begun an ongoing investigation into ACORN's voter registration activities. |
| ND | Secretary of State | <ul style="list-style-type: none"> Project Vote allowed registration to lapse on 9/1/06 |
| NM | Bernalillo County Clerk | <ul style="list-style-type: none"> In 2008, 1,500 potentially fraudulent voter registration forms, some of which were turned in by ACORN, were investigated for irregularities. As a result of the investigation, these cards were turned over to the Bernalillo County District Attorney's Office, the New Mexico Attorney General's Office, the U.S. Attorney's Office, and the FBI |
| NV | Secretary of State and Attorney General | <ul style="list-style-type: none"> Investigation of ACORN voter registration activities, in response to complaints of potential voter registration fraud and voter intimidation, led to a raid of ACORN headquarters in 2008. Evidence from Nevada's investigation demonstrates that ACORN sets quotas for its employees and provides rewards for those who register more voters, which is illegal under Nevada law. Attorney General has filed a criminal complaint against ACORN concerning its voter registration activities alleging 13 felony counts of wrongdoing. |
| NY | Attorney General | <ul style="list-style-type: none"> An investigation into whether pork-barrel grants given to ACORN and its affiliates were used for their intended purposes was launched, in 2009, after an undercover video was released that showed Brooklyn ACORN employees giving inappropriate financial advice to individuals posing as a pimp and a prostitute |
| NY | Brooklyn District Attorney's Office | <ul style="list-style-type: none"> An investigation was launched, in 2009, into potential criminal activities conducted by ACORN employees, after an undercover video was released that showed Brooklyn ACORN employees giving inappropriate financial advice to individuals posing as a pimp and a prostitute. |
| NY | City Clerk of NYC | <ul style="list-style-type: none"> ACORN was served a notice to cure and fined \$6,825.00 for deficiencies in filings of periodic lobbying reports |

| State | Office | Investigation or Violation |
|--------------|---------------------------------------|---|
| NY | Governor | <ul style="list-style-type: none"> In 2009, Gov. Patterson's Budget Director and Director of State Operations ordered agencies to put a hold on any contracts with ACORN. |
| NY | New York City Board of Elections | <ul style="list-style-type: none"> ACORN officials obtained a list of contact information of parents who would be voting on a plan to privatize five failing schools from the Schools Chancellor in 2001. This list was used to defeat the privatization plan and was given to ACORN illegally. |
| NY | Rensselaer County District Attorney | <ul style="list-style-type: none"> In 2009, the Working Families Party was investigated based on allegations that public housing residents' names were forged on absentee ballot applications and ballots filed on behalf of the Working Families Party |
| NY | Staten Island District Attorney | <ul style="list-style-type: none"> The Working Families Party has been the subject of an ongoing investigation, starting in 2009, to determine whether it broke campaign laws by assisting a local Democrat in winning the North Shore City Council seat in 2008. |
| OH | Cuyahoga County Board of Elections | <ul style="list-style-type: none"> ACORN was investigated, in 2008, when its employees submitted multiple fraudulent voter registration applications. ACORN employees were subject to registration quotas set by ACORN officials. The evidence against ACORN was compiled into a binder which grew to be one inch thick. The investigation was then turned over to the Cuyahoga County Sheriff's Office. In 2008, ACORN employees were accused of bribing an individual with cigarettes and money to get him to register to vote multiple times. The individual ended up registering to vote a total of 72 times. |
| OH | Cuyahoga Court of Common Pleas | <ul style="list-style-type: none"> In 2009, an individual who was registered by ACORN multiple times was convicted for casting a fraudulent ballot. |
| OH | Franklin County Board of Elections | <ul style="list-style-type: none"> ACORN employees turned in more than 60 suspicious registrations in 2004 In 2006, ACORN turned in 500 potentially fraudulent voter registration applications. These applications were turned over to the Franklin County Prosecutor's Office. |
| OH | Franklin County Court of Common Pleas | <ul style="list-style-type: none"> An ACORN employee was convicted, in 2004, for submitting a false registration form. In 2007, an individual who was registered by ACORN multiple times was convicted on two counts of casting a fraudulent ballot. |
| OH | Hamilton County Board of Elections | <ul style="list-style-type: none"> In 2004, an ACORN employee was investigated for submitting 35 voter registration cards for individuals who did not exist. ACORN employees were subject to registration quotas set by ACORN officials. In 2008, ACORN was investigated for allegedly submitting multiple voter registration cards for individuals who did not exist. |
| OH | Secretary of State | <ul style="list-style-type: none"> ACORN submitted 800 voter registration applications after the deadline, in 2004. |
| OH | Summit County Board of Elections | <ul style="list-style-type: none"> ACORN was investigated when its employees submitted about 12 potentially fraudulent voter registration applications in 2006. In 2008, ACORN was investigated for submitting many of the hundreds of potentially fraudulent voter registration applications turned in to the Summit County Board of Elections. |
| PA | Allegheny County District Attorney | <ul style="list-style-type: none"> In 2009, 7 ACORN employees were charged with a combined 51 counts of forgery and other violations for submitting forged voter registration forms. As of February of 2010, one of these individuals has been convicted, while the rest await trial. |

| State | Office | Investigation or Violation |
|-------|---|--|
| PA | Philadelphia Board of Elections | <ul style="list-style-type: none"> • Almost 1/3 of a batch of applications submitted by ACORN in 1999 appeared to be filled out by the same person. • In 2008, almost all of the approximately 1,200 potentially fraudulent voter registrations investigated were submitted by ACORN. These forms were turned over to the U.S. Attorney's Office for criminal investigation. |
| PA | Philadelphia City Commissioner | <ul style="list-style-type: none"> • ACORN was accused, in 2008, of submitting applications with discrepancies and missing data and re-registering individuals who had already been registered to vote |
| RI | Board of Elections | <ul style="list-style-type: none"> • ACORN filed 13 campaign finance reports late resulting in \$1,018 in fines and fees²⁰³ |
| SC | State Law Enforcement Division | <ul style="list-style-type: none"> • Two ACORN employees were charged with election laws violations, in 2006, for affirming fraudulent voter registration applications. |
| TX | Ethics Commission | <ul style="list-style-type: none"> • ACORN's registered lobbyist requested a waiver of fine for not paying fees on time in 2009 |
| TX | Harris County Tax Assessor-Collector and Voter Registrar | <ul style="list-style-type: none"> • In 2008, about 14,000 voter registration applications submitted by ACORN were rejected due to missing information on the forms |
| VA | State Board of Elections | <ul style="list-style-type: none"> • Tidewater Project Vote consistently submits a high number of applications that are incomplete or contain clearly incorrect information • Tidewater Project Vote's incomplete or incorrect applications make up 83.12% of the total incomplete or incorrect applications received in 2005 |
| WA | King County Elections Office | <ul style="list-style-type: none"> • In 2006, ACORN submitted thousands of voter registration cards after the specified deadline. ACORN also failed to submit new registration cards once a week, as required by law. |
| WA | King County Prosecutor and Pierce County Prosecuting Attorney | <ul style="list-style-type: none"> • ACORN was investigated, in 2007, for submitting more than 1,800 applications with significant irregularities, in King County. • In 2007, ACORN was investigated in Pierce County for submitting about 400 voter registration cards that were missing information, contained obviously fraudulent information, and/or listed one particular homeless shelter as an address. • As a result of the aforementioned investigations, seven ACORN employees were the subject of felony charges for submitting false information on voter registration cards. As of February of 2010, five of these individuals have been convicted. |
| WI | Milwaukee Election Commission | <ul style="list-style-type: none"> • 32 ACORN employees were turned over to the Milwaukee District Attorney's Office for submitting registrations with fraudulent information, attempting to re-register individuals who had already been register to vote, and attempting to register individuals without their knowledge. |
| WV | Secretary of State | <ul style="list-style-type: none"> • ACORN, AHC, Project Vote/Voting for America, and AISJ's registrations have all been expired since 2007 and have all failed to meet registration requirements in West Virginia as of November 3, 2009 |

²⁰³ Fines and fees were paid

B. Table 10. Federal Investigations and Actions Taken against ACORN for Improper Conduct

| Investigating Office | Investigation |
|---|--|
| Department of Housing and Urban Development (HUD), Office of the Inspector General | <ul style="list-style-type: none"> ACORN is the subject of an ongoing investigation, which began in 2009, into HUD’s involvement with ACORN and its affiliates. |
| Department of Justice (DOJ), Office of the Inspector General | <ul style="list-style-type: none"> In 2009, the DOJ conducted an internal audit, which uncovered that ACORN received federal money from the DOJ through its affiliates. |
| Department of Justice (DOJ), U.S. Attorney (Missouri) | <ul style="list-style-type: none"> 8 ACORN employees were indicted, in 2007, on federal election fraud charges for submitting multiple voter registration applications with fraudulent information. All 8 employees have since been convicted on these charges. In 2009, an ACORN employee was indicted on two counts of voter registration fraud for submitting forged and fraudulent voter registration cards. |
| Department of Justice (DOJ); U.S. District Court for the Western District of Missouri | <ul style="list-style-type: none"> Four former ACORN temporary employees were convicted of voter registration fraud in 2007. |
| Department of Justice, Federal Bureau of Investigation (FBI) | <ul style="list-style-type: none"> In 2004, ACORN’s role in a plan to expand the size of Prince George’s County Council was investigated, after it was discovered that the plan was funded largely by developers who stood to gain from the Council’s expansion. In 2008, the FBI began a nationwide investigation into ACORN to determine whether the group’s policies encouraged its employees to engage in voter fraud across the U.S. ACORN was investigated, in 2008, for possible federal election law violations when it submitted 600-800 potentially fraudulent voter registration applications in Kansas City |
| Department of the Treasury, Office of the Inspector General | <ul style="list-style-type: none"> ACORN is the subject of an ongoing investigation into its financial practices to determine whether ACORN improperly used federal funds for political purposes. |
| Government Accountability Office (GAO) | <ul style="list-style-type: none"> In 2010, ACORN will be the subject of an audit into whether ACORN has properly used federal grants for their intended purposes. |

C. Key ACORN Officers, Fact Witnesses, and Insiders

| Name | Role |
|------------------------|--|
| Amy Schur | Member, ACORN Management Council |
| Anita MonCrief | Former ACORN Political Operations staff |
| Karyn Gillette | Project Vote Development Director |
| Anna Burger | SEIU Secretary-Treasurer |
| Anthony Hill | Florida State Senator, reported income from both ACORN and SEIU |
| Bertha Lewis | ACORN Chief Organizer |
| Beth Butler | Member, ACORN Management Council |
| Dale Rathke | Former ACORN Board Member |
| Helene O'Brien | Member, ACORN Management Council |
| Jeff Skrenes | Treasurer, MN ACORN PAC |
| Donna Pharr | Treasurer, ACORN |
| Nathan Henderson-James | Director, Strategic Writing & Research Department, CSI, Project Vote |
| William G. Stamm, CPA | Audit partner, Duplantier, Hrapmann, Hogan and Maher, L.L.P. |
| Norman Oder | Author, Atlantic Yards Report |
| Jon Kest | Member, ACORN Management Council |
| Keith Kelleher | Director, SEIU Local 880 |
| Liz Wolff | Member, ACORN Management Council |
| Madeleine Talbott | President, ACORN Chicago |
| Maud Hurd | Former ACORN CEO |
| Michael McCray | Member, ACORN 8 |
| Marcel Reid | President, ACORN D.C., Member, ACORN 8 |
| Karen Inman | Former staff, Minnesota ACORN |
| Steve Bachmann | CCI General Counsel |
| Steven Kest | ACORN Executive Director |
| Elizabeth Kingsley | ACORN Counsel |
| Mike Shea | Director, ACORN Housing Corporation |
| Alton Bennett | Deputy Director, ACORN Housing Corp. |
| Nikki Paxton | Staff member, ACORN Minnesota |
| Apryl Walker | Head Organizer Delaware ACORN |
| Patrick Gaspard | Former SEIU Vice President |
| Patti Hagan | Former employee, Working Families Party |
| Stephanie Strom | Writer, the New York Times |
| Peter Colavito | ACORN/SEIU Political Director |
| Scott Levenson | ACORN Spokesman |
| Wade Rathke | Former Chief Organizer and CEO |
| Zach Nauth | ACORN/SEIU Lobbyist |
| Zach Polett | Director, ACORN Political Operations |

D. The ACORN Council

1. 385 Palmetto Street Housing Development Fund Corporation
2. 4415 San Jacinto Street Corporation
3. 5301 McDougall Street Corporation
4. 650 Political Action Committee
5. ACHC Little Rock, AR
6. ACORN 2004 Housing Development Fund Corporation
7. ACORN 2005 Housing Development FUND CORPORATION
8. ACORN 408 East 8th St. Wilmington, DE
9. ACORN Albuquerque, NM
10. ACORN Allentown, PA
11. ACORN Arlington, TX
12. ACORN Associates Inc. Albuquerque NM
13. ACORN Associates, Inc.
14. ACORN Atlanta, GA
15. ACORN Aurora, CO
16. ACORN Baltimore, MD
17. ACORN Baton Rouge, LA
18. ACORN Bay Point, CA
19. ACORN Beneficial Association, Inc.
20. ACORN Beverly, L.L.C.
21. ACORN Bridgeport, CT
22. ACORN Brockton, MA
23. ACORN Bronx, NY
24. ACORN Buffalo, NY
25. ACORN Burien, WA
26. ACORN c/o the Progressive Center Tallahassee, FL
27. ACORN Campaign Services, Inc.
28. ACORN Campaign to Raise the Minimum Wage, Inc.
29. ACORN Canada
30. ACORN Center for Housing, Inc.
31. ACORN Charlotte, NC
32. ACORN Chicago, IL
33. ACORN Children's Beneficial Association, Inc.
34. ACORN Cincinnati, OH
35. ACORN Cleveland, OH
36. ACORN Columbus, OH
37. ACORN Community Labor Organizing Center, Inc.
38. ACORN Community Land Association Albuquerque NM
39. ACORN Community Land Association of Illinois
40. ACORN Community Land Association of Louisiana Baltimore MD
41. ACORN Community Land Association of Louisiana New Orleans LA
42. ACORN Community Land Association of Pennsylvania, Inc.
43. ACORN Community Land Association, Inc.
44. ACORN Cultural Trust, Inc.

45. ACORN Denver, CO
46. ACORN Detroit, MI
47. ACORN Dual Language Community Academy
48. ACORN Dumont-Snediker Housing Development Fund Corporation
49. ACORN El Paso, TX
50. ACORN Fair Housing Washington DC
51. ACORN Fair Housing, A Project Of American Institute Washington DC
52. ACORN Financial Justice Center St. Paul, MN
53. ACORN Foster Parents, Inc.
54. ACORN Fresno, CA
55. ACORN Ft. Lauderdale, FL
56. ACORN Ft. Worth, TX
57. ACORN Fund, Inc.
58. ACORN Glendale, AZ
59. ACORN Harrisburg, PA
60. ACORN Hartford, CT
61. ACORN Hempstead, NY
62. ACORN Hialeah, FL
63. ACORN Honolulu, HI
64. ACORN Housing 1 Associates, LP (limited partnership)
65. ACORN Housing 2 Associates, LP (limited partnership)
66. ACORN Housing 2, Inc.
67. Acorn Housing 2, Inc.
68. ACORN Housing 3 Associates LP
69. ACORN Housing 3, Inc
70. ACORN Housing Affordable Loans, LLC
71. ACORN HOUSING CORPORATION Albuquerque, NM
72. ACORN HOUSING CORPORATION Atlanta, GA
73. ACORN HOUSING CORPORATION Baltimore, MD
74. ACORN HOUSING CORPORATION Boston, MA
75. ACORN HOUSING CORPORATION Bridgeport, CT
76. ACORN HOUSING CORPORATION Brooklyn, NY
77. ACORN HOUSING CORPORATION Chicago, IL
78. ACORN HOUSING CORPORATION Dallas, TX
79. ACORN HOUSING CORPORATION Denver, CO
80. ACORN HOUSING CORPORATION Detroit, MI
81. ACORN HOUSING CORPORATION Fresno, CA
82. ACORN HOUSING CORPORATION Houston, TX
83. ACORN HOUSING CORPORATION Jersey City, NJ
84. ACORN HOUSING CORPORATION Kansas City, MO
85. ACORN Housing Corporation Little Rock, AR
86. ACORN HOUSING CORPORATION Los Angeles, CA
87. ACORN HOUSING CORPORATION Miami, FL
88. ACORN HOUSING CORPORATION Milwaukee, WI
89. ACORN HOUSING CORPORATION New Haven, CT
90. ACORN HOUSING CORPORATION New Orleans, LA

91. ACORN HOUSING CORPORATION Oakland, CA
92. ACORN HOUSING CORPORATION of IL
93. ACORN HOUSING CORPORATION Orlando, FL
94. ACORN HOUSING CORPORATION Philadelphia, PA
95. ACORN Housing Corporation Phoenix, AZ
96. ACORN HOUSING CORPORATION Pittsburgh, PA
97. ACORN HOUSING CORPORATION Portland, OR
98. ACORN HOUSING CORPORATION Providence, RI
99. ACORN HOUSING CORPORATION Sacramento, CA
100. ACORN HOUSING CORPORATION San Antonio, TX
101. ACORN HOUSING CORPORATION San Diego, CA
102. ACORN HOUSING CORPORATION San Jose, CA
103. ACORN HOUSING CORPORATION Santa Ana, CA
104. ACORN HOUSING CORPORATION Springfield, MA
105. ACORN HOUSING CORPORATION St. Louis, MO
106. ACORN HOUSING CORPORATION St. Paul, MN
107. ACORN HOUSING CORPORATION Washington, DC
108. ACORN Housing Corporation, Inc.
109. ACORN Houston, TX
110. ACORN Hyattsville, MD
111. ACORN IA
112. ACORN Indianapolis, IN
113. ACORN Institute Canada
114. ACORN Institute Dallas TX
115. ACORN Institute Inc. New Orleans LA
116. ACORN Institute Inc. Washington DC
117. ACORN Institute, Inc.
118. ACORN International, Inc.
119. ACORN Irving, TX
120. ACORN Jacksonville, FL
121. ACORN Jersey City, NJ
122. ACORN Kansas City, MO
123. ACORN Lake Charles, LA
124. ACORN Lake Worth, FL
125. ACORN Las Cruces, NM
126. ACORN Law for Education Representation & Training, Inc.
127. Acorn Law Reform PAC
128. Acorn Law, Education, Rep. & Training
129. ACORN Los Angeles, CA
130. ACORN Louisville, KY
131. ACORN Management Corporation
132. ACORN Memphis, TN 38104
133. ACORN Mesa, AZ
134. ACORN Miami, FL
135. ACORN Milwaukee, WI
136. ACORN National Broadcasting Network, Inc.

137. ACORN National Office: Boston, MA
138. ACORN National Office: Brooklyn, NY
139. ACORN National Office: Dallas, TX
140. ACORN National Office: Little Rock, AR
141. ACORN National Office: New Orleans, LA
142. ACORN National Office: Phoenix, AZ
143. ACORN National Office: Washington, D.C.
144. ACORN Newark, NJ
145. ACORN Norfolk, VA
146. ACORN Oakland, CA
147. ACORN Orlando, FL
148. ACORN Paterson, NJ
149. ACORN Philadelphia, PA
150. ACORN Pine Bluff, AR
151. ACORN Pittsburgh, PA
152. ACORN Political Action Committee of Louisiana
153. ACORN Political Action Committee, Inc.
154. ACORN Political Washington, DC
155. ACORN Portland, OR
156. ACORN Providence, RI
157. ACORN Research Dallas, TX
158. ACORN Richmond, VA
159. ACORN Sacramento, CA
160. ACORN San Antonio, TX
161. ACORN San Bernardino, CA
162. ACORN San Diego, CA
163. ACORN San Francisco, CA
164. ACORN San Jose, CA
165. ACORN Santa Ana, CA
166. ACORN Services, Inc.
167. ACORN Springfield, IL
168. ACORN Springfield, MA
169. ACORN St. Louis, MO
170. ACORN St. Paul, MN
171. ACORN St. Petersburg, FL
172. ACORN Tampa, FL
173. ACORN Television in Action for Communities, Inc.
174. ACORN Tenant Union Training & Organizing Project, Inc.
175. ACORN Tenants' Union, Inc.
176. ACORN Toledo, OH
177. ACORN Tucson, AZ
178. ACORN Votes
179. ACORN Waterbury, CT
180. ACSI
181. Advancement Project
182. Affiliated Media Foundation Movement, Inc.

183. Agape Broadcasting Foundation, Inc.
184. AGAPE Dallas, TX
185. AHDCWAPAC
186. AISJ New Orleans, LA
187. AISJ Washington, DC
188. Alabama Radio Movement, Inc. (Dissolved)
189. ALERT New Orleans, LA
190. Alliance of Californians for Community Empowerment
191. Allied Media Projects, Inc.
192. American Environmental Justice Project, Inc.
193. American Home Childcare Providers Association
194. American Home Day Care Workers Association, Inc.
195. American Institute for Social Justice, Inc.
196. America Votes Inc.
197. American Workers Association
198. ANP Little Rock, AR
199. Arkansas ACORN Fair Housing, Inc.
200. Arkansas Acorn Housing Corporation
201. Arkansas ACORN Political Action Committee
202. Arkansas Broadcast Foundation, Inc.
203. Arkansas Broadcasting Foundation, Inc.
204. Arkansas Community Housing Corporation
205. Arkansas New Party
206. Associated Regional Maintenance Systems
207. Association for Rights of Citizens, Inc.
208. Association for the Rights of Citizens Inc
209. Association of Community Organizations for Reform Now (“ACORN”)
210. Austin Organizing and Support Center, Inc.
211. Baltimore Organizing and Support Center, Inc.
212. Baton Rouge ACORN Education Project, Inc.
213. Baton Rouge Association of School Employees, Inc.
214. Boston Organizing and Support Center, Inc.
215. Broad Street Corporation
216. Bronx Parent Leadership
217. California Acorn Political Action Comm.
218. California APAC
219. California Community Network
220. California Community Television Network
221. Campaign for Justice at Avondale
222. Campaign to Reward Work
223. Catalist LLC
224. Change to Win
225. Chicago Organizing and Support Center, Inc.
226. Chief Organizer Fund, Inc.
227. Child Care Providers for Action Franklin
228. Citizens Action Research Project

229. Citizens Campaign for Fair Work
230. Citizens Campaign for Finance Reform
231. Citizens Campaign for Work, Living Wage & Labor Peace
232. Citizens Consulting, Inc.
233. Citizens for April Troope
234. Citizens for Future Progress
235. Citizens Services Society, Inc.
236. Citizens Services, Inc.
237. Clean Government APAC
238. Colorado Organizing and Support Center, Inc.
239. Communities Voting Together
240. Community & Labor United for Baltimore
241. Community Labor Administrative Services, Inc.
242. Community Real Estate Processing, Inc.
243. Community Real Estate Processing, Inc.
244. Community Training for Environmental Justice, Inc.
245. Community Voices Together
246. Connecticut Working Families
247. Council Beneficial Association
248. Council Health Plan
249. Crescent City Broadcasting Corporation
250. CT Working Families
251. CTELS
252. CWA NJ Political Education Committee
253. Democracy for America
254. Desert Rose Homeowners' Association
255. Desert Rose Homes, L.L.C.
256. Development Fund Corporation
257. District of Columbia Acorn Political Action Committee
258. District of Columbia APAC
259. Dumont Avenue Housing Development Fund
260. Edison Neighborhood Center Kalamazoo, MI
261. Elysian Fields Corporation
262. Elysian Fields Partnership
263. Environmental Justice Training Project, Inc.
264. Fifteenth Street Corporation
265. Flagstaff Broadcasting Foundation, Inc.
266. Florida ACORN PAC
267. Floridians For All Miami, FL
268. Floridians for All PAC
269. Forefront Organizing
270. Franklin ACORN Housing, Inc.
271. Friends of Wendy Foy
272. Frontline Organizing
273. Genevieve Stewart Campaign Fund
274. Greenville Community Charter School Inc

275. Greenwell Springs Corporation
276. Hammurabi Fund, Inc.
277. Healthcare for America Now
278. Hospital Professionals and Allied Employees COPE Fund
279. Hospitality Hotel and Restaurant Organizing Council
280. HOTROC New Orleans, LA
281. Housing Here and Now!
282. Houston Organizing and Support Center, Inc.
283. Illinois Acorn Political Action Committee
284. Illinois APAC
285. Illinois Home Child Care Workers Association, Inc.
286. Illinois New Party
287. Illinois New Party Political Committee
288. Institute for Worker Education, Inc.
289. Iowa ACORN Broadcasting Corporation
290. IUOE Local 406
291. Jefferson Area Public Employees
292. Jefferson Area School Employees
293. Jefferson Association of Parish Employees
294. Jefferson Association of School Employees
295. Jobs with Justice
296. Johnnie Pugh Campaign Fund
297. KABF Little Rock, AR
298. KABF Radio
299. KNON Radio
300. LA PAC for Working Families
301. Labor Link, Inc.
302. Labor Neighbor Research and Training Center, Inc.
303. Lagrange Village Council Toledo, OH
304. Living Wage Resource Center
305. Local 100 Health & Welfare Fund
306. Local 100 Health and Welfare Fund
307. Local 100 Political Action Committee
308. Local 100 Retirement Fund
309. Local 100 Retirement Plan
310. Local 32BJ Service Employees International Union
311. Local 32BJ Service Employees International Union American Dream Political Action Fund
312. Local 880 PAC
313. Local 880 Political PAC
314. Local 880 SEIU Political Action Committee
315. Local 880 SEIU Power Political Action Committee
316. Louisiana ACORN Fair Housing Organization New Orleans, LA
317. Louisiana APAC
318. Maricopa Community Television Project, Inc.
319. Maryland ACORN Political Action Committee

320. Massachusetts ACORN Housing Corporation
321. Massachusetts ACORN Political Action Committee
322. McLellan Multi-Family Corporation
323. Metro Technical Institute, Inc.
324. MHANY 2003 HOUSING DEVELOPMENT FUND CORPORATION
325. MHANY A/A/F Neighborhood Restore HDFC
326. MHANY Brooklyn, NY
327. Middle South Home Day Care Workers Association, Inc.
328. Minnesota ACORN Political Action Committee
329. Missouri ACORN Political Action Committee
330. Missouri APAC
331. Missouri Home Child Care Workers Association, Inc.
332. Missouri Progressive Vote Coalition
333. Missouri Tax Justice Research Project, Inc.
334. Montana Radio Network, Inc.
335. Mott Haven ACORN Housing Development Fund
336. Movement for Economic Justice, Education & Training Center, Inc.
337. Mutual Housing Association of New York Neighborhood Restore
338. Mutual Housing Association of New York, Inc.
339. National Center for Jobs and Justice, Inc.
340. Neighborhoods First
341. Neighbors for Arthelia Ray
342. Neighbors for Maria Torres
343. Neighbors for Ted Thomas
344. New Jersey ACORN Housing Corporation, Inc.
345. New Jersey Working Families Alliance PAC
346. New Mexico ACORN Fair Housing Albuquerque NM
347. New Mexico ACORN Political Action Committee
348. New Mexico APAC
349. New Mexico Organizing and Support Center, Inc.
350. New Orleans ACORN Educational Project, Inc.
351. New Orleans Campaign for a Livable Wage
352. New Orleans Campaign for Living Wage Committee
353. New Orleans Community Housing Organization, Inc.
354. New Party National Committee, Inc.
355. New York ACORN Housing Company Inc
356. New York Acorn Political Action Committee
357. New York Agency for Community Affairs, Inc.
358. New York APAC
359. New York Organizing and Support Center, Inc
360. New York Organizing and Support Center, Inc.
361. North East Houston Community Action
362. Oregon ACORN Political Action Committee
363. Oregon APAC
364. Orleans Criminal Sheriffs
365. Orleans Criminal Sheriffs Workers Organization, Inc.

366. Overture to Cultural Season
367. P.O.W.E.R. Organizing
368. Peace and Social Justice Center of South Central Kansas Wichita, KS
369. Pennsylvania ACORN Political Action Committee
370. Pennsylvania APAC
371. Pennsylvania Institute for Community Affairs, Inc.
372. People Organizing Workfare Workers/ACORN/CWA, Inc.
373. People's Equipment Resource Corporation, Inc.
374. Phoenix Organizing and Support Center, Inc.
375. Progressive Future Education Fund
376. Progressive Houston
377. Progressive St. Louis
378. PROJECT VOTE Brooklyn, NY
379. PROJECT VOTE Little Rock, AR
380. Project Vote/Voting for America, Inc.
381. Pugh Election Campaign
382. Radio New Mexico, Inc.
383. Referendum Committee for an Accountable Future
384. Rhode Island APAC
385. Sacramento ACORN Educational Project, Inc.
386. San Francisco Labor Council Labor & Neighbor Independent Expenditure PAC
387. SEIU American Dream Fund
388. SEIU Healthcare Illinois Indiana (Formerly SEIU Local 880)
389. SEIU Healthcare Illinois Indiana PAC
390. SEIU Illinois Council
391. SEIU Illinois Council PAC Fund
392. SEIU Local 100
393. SEIU LOCAL 100 Baton Rouge, LA
394. SEIU LOCAL 100 Corpus Christi, TX
395. SEIU LOCAL 100 Dallas, TX
396. SEIU LOCAL 100 Houston, TX
397. SEIU LOCAL 100 Lake Charles, LA
398. SEIU LOCAL 100 Little Rock, AR 72206
399. SEIU LOCAL 100 New Orleans, LA
400. SEIU LOCAL 100 San Antonio, TX
401. SEIU LOCAL 100 Shreveport, LA
402. SEIU Local 21 Political Accountability Fund
403. SEIU Local 21A
404. SEIU Local 32BJ
405. SEIU Local 52BJ
406. SEIU Local 880
407. SEIU Local 880 Political Action Committee
408. SEIU LOCAL 880 Chicago, IL
409. SEIU LOCAL 880 East St. Louis, IL
410. SEIU LOCAL 880 East St. Louis, MO
411. SEIU LOCAL 880 Harvey, IL

412. SEIU LOCAL 880 Peoria, IL
413. SEIU LOCAL 880 Rock Island, IL
414. SEIU LOCAL 880 Springfield, IL
415. SEIU LOCAL 880 St. Louis, MO
416. SEIU Local 1199
417. SEIU Local 1199 NJ Health
418. SEIU Local 1199 United Healthcare Workers East
419. SEIU Missouri State Council Pac Fund
420. SEIU NJ State Council
421. SEIUSO
422. Service Workers Action Team
423. Shreveport Community Television, Inc.
424. Site Fighters
425. Sixth Avenue Corporation
426. SJSC
427. Social Policy
428. Solano Association of Government Employees, Local 1280, SEIU
429. Southern Training Center
430. St. Louis Living Wage Campaign
431. St. Louis Organizing and Support Center, Inc.
432. St. Louis Tax Reform Group, Inc.
433. Student Minimum Wage Action Campaign
434. SWAT
435. Texas United City-County Employees, Inc.
436. Texas United School Employees, Inc.
437. The Advance Group
438. The Democracy Alliance
439. United Labor Foundation of Greater New Orleans, Inc.
440. United Security Workers of America, Local
441. Volunteers for America, Inc.
442. Volunteers for California, Inc.
443. Volunteers for Missouri, Inc.
444. Wal-Mart Alliance for Reform Now, Inc.
445. Wal-Mart Association for Reform Now
446. Wal-Mart Workers Association, Inc.
447. Washington ACORN Political Action Committee
448. Waxahachie Area Resident Council
449. Workers/ACORN/CWA, Inc.
450. Working Families Association, Inc.
451. Working Families Campaign Committee
452. Working Families For Progressive Leadership
453. Working Families Party

About the Committee

The Committee on Oversight and Government Reform is the main investigative committee in the U.S. House of Representatives. It has authority to investigate the subjects within the Committee's legislative jurisdiction as well as "any matter" within the jurisdiction of the other standing House Committees. The Committee's mandate is to investigate and expose waste, fraud and abuse.

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