



JUDICIAL WATCH, INC.

**FORUM TRANSCRIPT
“ACORN SCANDALS: WHAT’S NEXT?”**

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MR. TOM FITTON: Okay, I think we're ready to begin. One of our panelists isn't here yet, hopefully she will arrive, but we'll continue without here. Welcome. I'm Tom Fitton. I'm president of Judicial Watch. Welcome to our panel entitled "ACORN Scandals: What's Next?"

Judicial Watch is a conservative nonpartisan educational foundation dedicated to promoting transparency, accountability, and integrity in government, politics and the law. Through its educational endeavors, Judicial Watch advocates high standards of ethics and morality in our nation's public life and seeks to ensure that political and judicial officials obey the law and do not abuse the powers entrusted to them by the American people.

Thanks largely to the presidency of Barack Obama, the group known as ACORN, the Association of Community Organizations for Reform Now, has become perhaps the most notorious public advocacy organization in the country. Conservatives have been critical of the community organization for some time, but the criticism of ACORN went viral, so to speak, with the release of undercover videos by conservative journalists, depicting ACORN employees and volunteers providing advice on how to evade tax, immigration, housing, and even child prostitution laws.

Judicial Watch has been investigating ACORN and Earnest for about two years now. And as of now, we have over 2,004 Freedom of Information Act open records requests pending with federal agencies. And we have at least two Freedom of Information Act lawsuits active concerning ACORN matters.

The first lawsuit, filed against the Department of Labor's Employee Benefits Security Administration, involves information about money embezzled from ACORN by Dale Rathke, the brother of the organization's founder Wade Rathke. The *New York Times* reported that overall Dale Rathke embezzled \$948,000 in 1999 and 2000. And according to a report by the House Committee on Oversight and Government Reform, at least minority staff I think, \$215,000 of the funds came in the form of a loan. And apparently, the manner in which this loan was handled and concealed by ACORN internally may have violated the Employee Income Retirement Security Act, ERISA, which is the – arguably the most important law governing employee benefits in the private sector in this country.

Request to the Obama Labor Department hasn't been terribly helpful as of yet in terms of producing documents about this scandal hence or lawsuit.

And our second lawsuit is against the Corporation for National Community Service, which is the organization that is behind the AmeriCorps Program and oversees it. And it handles programs and paperwork for national government grants, of course obviously including the AmeriCorps Program as well.

And Judicial Watch had already uncovered through the Freedom of Information Act documents indicating that ACORN's sister organization, ACORN Housing, was no longer

eligible for federal funds due to previous abuses involving an AmeriCorps grant. And this leads to an important point that we were able to uncover. Tegan Millspaw, who's on our investigation staff, was able to obtain information from the Labor Department and the AmeriCorps parent agency about investigations these agencies conducted into ACORN. As best as we can tell, these were the only two comprehensive federal investigations into ACORN's practices. And Tegan's preparing a special report on what we found, but here is a preview.

The federal government found that ACORN was found to have discriminated against, harassed and – (inaudible) – employees who were involved in protected union activity because ACORN was afraid other unions would try to destroy the organization.

ACORN Housing was required to return more than \$16,000 of funds to the Corporation for National Community Service after it was discovered that the organization was misusing the money in order to directly profit ACORN. ACORN's work conditions were so bad that in one office over 90 percent of employees quit in less than six months. Most quit within a few days or weeks of being hired. Those who remained were required to work 54 hours a week on a \$16,000 annual salary.

AmeriCorps members at ACORN – AmeriCorps of course is funded with your tax dollars – members at ACORN Housing were told to recruit new ACORN members, a direct violation of federal grant provisions.

ACORN threatened to stage protests against banks that refused to give money to ACORN and ACORN Housing for their low-income housing programs. Some others may term that extortion.

According to several former employees, money paid to ACORN Housing for credit checks, loan counseling was immediately turned over to Citizens Consulting Inc., another ACORN group responsible for reallocating funds and essentially running the whole ACORN Empire behind the scenes.

Although it claims it is a nonprofit organization dedicated to helping low-income families, ACORN routinely charged clients over \$150 for credit checks and loan counseling. And in conclusion, numerous witnesses who worked at ACORN Housing and ACORN offices concluded that ACORN needed to be investigated for misconduct.

Now, what it's incredible that these lowlights were uncovered back in 1995 and 2001, yet they all sound like problems that could have been uncovered yesterday, as I'm sure our panelists here will attest to.

Despite its long and controversial history, the Obama administration has had no problem violating its own procedures and inviting ACORN to partner with the U.S. Census Bureau. In its official statement, responding to the ACORN controversy, when it first popped up in the beginning of the year, the Obama Commerce Department downplayed ACORN's participation in the U.S. Census and labeled baseless the notion that ACORN will be involved in any Census count. But our investigation uncovered documents that cast doubt on that assurance.

We found through a FOIA lawsuit that the Census Bureau offered ACORN the opportunity to, quote, “recruit census workers who are participating in the count.” Essentially ACORN is charged in this partnership with sending and recruiting workers that would be sent over to Census and then Census would make the decision to hire them.

Moreover, as an executive level partner, ACORN had the ability to organize and serve as a member on a complete count committee, which according to Census documents helps develop and implement locally based outreach and recruitment campaigns.

Our exposé of this relationship put a lot of pressure on the Census Bureau and they severed, finally, the ACORN ties.

The Census director, in an understated letter to ACORN cutting the ties – the Census director, Robert Groves wrote, “it is clear that ACORN’s affiliation with the 2010 Census promotion has caused sufficient public concern in the general public and may even become a discouragement to public cooperation, negatively impacting 2010 Census efforts.” Now, that’s victory for government accountability achieved. And of course the undercover videos played no small role in the Census decision to cut ACORN off, which came days after the videos were released.

The ACORN undercover videos were perhaps the most important media story of 2009. The trio behind the videos, James O’Keefe, Hannah Giles, and Andrew Breitbart, embarrassed the major media and forced Congress and the president to take steps to cut off ACORN funding. But as we note in our coming report, ACORN is currently working to reinstate government funding and has had a disconcerting amount of success in doing so.

ACORN just won a preliminary injunction from a federal court that could reinstate the federal funding. In addition, ACORN conducted its own internal investigation, which claimed that ACORN had not committed any illegal activity. However, ACORN’s activity – investigation, which one critic said is not worth the papers written on, does not address the numerous accusations of misconduct and illegal activity, and is not an acceptable substitute for a comprehensive investigation of ACORN.

Now, of course, this report that ACORN issued exonerating itself for any misconduct was well covered by the media. In fact, the internal ACORN report, though, specifically and conveniently avoided investigating of the allegations of massive voter registration fraud, which is for sure the most legally significant scandal facing the ACORN organization.

So given this recent turn of events, our “What’s Next for ACORN” panel, I think, is timely. And joining me here today are three experts in ACORN matters, including one critic, who just arrived – we’re glad to have you – who’d like nothing more than to rescue ACORN from its scandalous ways.

Matt Vadum is a senior editor – sitting here on my right – is a senior editor with the Capital Research Center. A veteran journalist, Matthew edits the Center’s organization trends

and foundation watch. During his seven years in the Washington bureau of *The Bond Buyer*, a daily financial newspaper based on Wall Street, he covered Congress, the Supreme Court, housing, state and local finance. And while a reporter for the *Central Penn Business Journal* in Harrisburg, Pennsylvania, he won an award for an outstanding legal journalism from the Pennsylvania Bar Association for an article that focused on employment law.

An expert on ACORN, Vadum has written somewhere in the neighborhood of 40 feature articles on the group and hundreds of blog posts. Author Michelle Malkin credits Vadum with being one of two people in the nation for foresight and insight in reporting on the ACORN story when no one else would.

Hans A. von Spakovsky is a senior legal fellow at the Heritage Foundation Center for Legal and Judicial Studies, where he manages the Civil Justice Reform Initiative. And that project examines how state and federal courts administer civil justice, focusing on attempts by plaintiffs' attorneys and activists to manipulate the system for their own ends at the expense of the public.

The Civil Justice Reform Initiative studies ways to protect and improve the system and make it more efficient. And it also seeks to bring greater fairness and predictability to the process. In addition, Mr. von Spakovsky studies the legal aspects of elections, including campaign finance, voter fraud and voter identification laws, and issues arising from registration and equipment. His Heritage Foundation views these as important topics in an era of razor-thin victory margins for national candidates.

And before joining Heritage in 2008, von Spakovsky served for two years as a member of the Federal Election Commission, which enforces campaign finance laws for congressional – or sometimes enforces campaign finance laws – for congressional and presidential elections, including public funding.

And previously, before that, he worked at the Justice Department as the counsel to the assistant general for civil rights, where he provided expertise and advice on enforcing the Voting Rights Act and the Help America Vote Act of 2002.

And also joining us is Ms. Marcel Reid, who began her involvement in grassroots community organizing at a very young age. At age 16, she was elected president of the Youth Advisory Committee for Compton, California. She studied under Ron Karenga, who's the founder of Kwanzaa movement, at California State University, Long Beach.

Marcel later became a legal advocate for Southeast Legal Aid, where she was the liaison for 17 cities in South East Los Angeles County, and established two satellite offices in Norwalk and Bell Gardens, California. After marrying, Marcel moved to the East Coast and became a federal monitor for the Comprehensive Employment Training Authority, where she was responsible for 56 job sites and 450 participants in Cape May County, New Jersey. And then Marcel was transferred to New Bedford, Massachusetts, where she worked for the State Employment Office and attended the University of Massachusetts.

After several more transfers – I’m assuming you’re a military wife, right, yourself – that may account for some of the transfers. The final transfer was in Washington, D.C., where she worked in marketing for Holiday Inn Corporation and she continued the marketing with Cartridge Technology Network as the director of national corporate relations and she continues working in marketing today, working for a large multinational company.

Marcel joined the D.C. Chapter for the Association of Community Organizations for Reform Now in 1999. She became active in 2000. She rose from a member to ACORN chair in 2006, voted in unanimously by the D.C. board. She currently is chair in exile of the D.C. Chapter of ACORN, which serves Washington, D.C., and Northern Virginia. In this capacity, she organized and served in the National Bylaws Committee and was elected by the board of directors to serve on the interim management committee for organization development. And I guess that committee was developed following the public discovery of the million dollar embezzlement scheme that I talked about earlier by senior management of ACORN.

True to her convictions of true democracy and representation and grassroots advocacy, Marcel also chairs the ACORN 8, the people’s movement to reform ACORN.

So as you can tell, we’re blessed to have some great experts here on issues related to ACORN. And the way this panel will go forward, we’ll go in order by Matthew, Hans, and Marcel. I’ll ask a few questions, keep the conversation moving. And then we’ll open it up to the floor and hopefully we can continue the conversation with members of our audience.

So that being said, I will turn over the microphone to Matthew. Oh, if you have cell phones or pagers, I’ve been advised you should turn them off because they will interfere with the audio equipment here. And – Mathew, please.

MR. MATTHEW VADUM: Thanks. Thank you, Tom. I won’t recount all of the allegations against ACORN because that would take several hours. But something that really hasn’t been widely noticed is that ACORN received a bailout from the federal government. The Obama administration, a few weeks ago, the Department of Justice issued a legal memorandum advising the Obama administration that it could largely ignore the clear directive from Congress that ACORN was not to be funded. And it was filled with all sorts of interesting lawyerly hair splitting.

And basically what it boils down to is that the federal government can continue funding preexisting obligations, preexisting commitments, or contracts with ACORN, but it just can’t add any new ones on. And then that was supplemented by a decision late last week by – in the Eastern District of New York, Federal Judge Nina Gershon ruled that – she put – I didn’t even know judges could do this, but apparently she issued a temporary injunction forbidding Congress to stop funding ACORN, which strikes me as pretty bizarre, since I thought Congress had the power of the purse. So I thought it would be a separation of powers problem. But I’m not a lawyer or a constitutional scholar.

This bailout is proceeding and the currently bill H.R. 3288, which is the consolidated Appropriations Act – it’s I guess they call the mini omnibus act. That’s – it’s on the president’s

desk right now as of, I think, the 15th. And it contains the language forbidding ACORN from being funded by the federal government. But that language has already been ruled meaningless. So unless the federal government appeals the ruling, they're going to be able to continue to fund ACORN. So it's basically just business as usual between the federal government and ACORN right now.

There have been many efforts to try to get ACORN probed at the congressional level and so far they haven't been successful. There was a minority hearing by House Republicans on the Oversight and Government Reform Committee, but that's not really an official hearing, an official investigation. It doesn't really count. And the greatest resistance to doing a real inquiry into ACORN has come from Congressman Jerrold Nadler, the Democrat from New York. And it's not surprising that he opposes this – a proper congressional inquiry into ACORN's affairs because he's very tightly linked to ACORN.

He has been endorsed by ACORN's partisan arm in New York State. New York State has a fusion voting system, so they have minor parties that are also listed on the ballot. And New York's Working Families Party, which as I said is a partisan branch of ACORN, has endorsed him and he's given thousands, possibly tens of thousands of dollars over the years. So they have a very tight working relationship.

And something, again, very few people seem to be aware of is that he has a very – a pretty egregious conflict of interests. He is the chairman of the Constitution Subcommittee of the House Judiciary Committee. And as such, it would be a logical starting place for a congressional investigation of ACORN to begin. But he has resisted calls so far to investigate ACORN until any substantial evidence, any credible evidence comes along. And so all those undercover videotapes don't prove anything, I guess, in his mind.

But what's really terrible, in my view, is that he not only has been defending ACORN in Congress, but he has been giving legal and strategic advice to ACORN. It was reported in a Greenwich Village based community newspaper that he had a meeting with Arthur Z. Schwartz, who is a New York City based labor lawyer who represents ACORN in some of its legal affairs. And he said, "Why aren't you doing anything about this bill – about the bill of attainder argument?" And without boring everybody here with the civics lesson, a bill of attainder is a law by Congress that singles out a group or a person for punishment.

So he suggested all these measures in Congress to ban funding for ACORN constituted bills of attainder, that they were discriminating against ACORN. And that, he said, was unconstitutional. And then low and behold, a few weeks later, ACORN filed a lawsuit with the assistance of the Center for Constitutional Rights. And that lawsuit was heard by Federal Judge Nina Gershon and she agreed with ACORN's reasoning that came out of the mouth of Congressman Jerrold Nadler.

So that's a very significant conflict of interests and he's refused to address that. And I've asked his press secretary to address it. And usually I just get mocking emails in return. So it's – (laughter) – so some of them are pretty funny actually. But it's just interesting that he won't answer these questions.

At the very least, he should recuse himself from having anything to do with any possible investigation of ACORN. But he doesn't seem willing to do that.

There is no evidence that ACORN is cleaning up its act, despite the release of the report from the supposedly independent Scott Harshbarger. He's a former Massachusetts attorney general. He's also president at one point of the liberal group Common Cause. So I don't think – which is an ACORN ally. And he's long been a supporter and ally of ACORN. So calling him an independent investigator was always a stretch. But the report that he released through his law firm in Massachusetts basically cleared – said that there were a few rotten apples, a few bad eggs at ACORN, which is the excuse that ACORN always uses when it gets into trouble, and that there wasn't any – sure ACORN had some systemic problems, but they can all be fixed. And current management is doing everything it can to fix the problems that were left by the previous chief organizer, Wade Rathke, the one who had to resign – or he didn't resign. He was actually dismissed after his brother stole the million dollars and he covered it up for eight years.

So that report is just a complete whitewash. And if ACORN claims – the chief organizer, Bertha Lewis, claims that they are trying to reform ACORN, but there's just simply no reason to believe her because she seems incapable of telling the truth and has distorted the activities in the record of ACORN all throughout the undercover video saga that unfolded in September and October. Remember, every time a new video would come, she'd say, "Oh, well, they were turned down at the next office and it's all – this has been heavily edited and it's taken out of context." And every time she was shown to not be telling the truth.

So there're just a few other points that I think probably Hans is going to touch upon, at least I hope he is. Not committing you to anything there, Hans, but there're very serious issues of public trust here involved with ACORN. It wouldn't be such a big deal if they were – it wouldn't be as much of a big deal if they were a corrupt organization that didn't receive federal funding. But they do receive federal funding. And if they receive federal funding, they should be forced to adhere to certain standards of ethical behavior. And they seem incapable of doing that.

No one in ACORN seems to know what the budget is. Bertha Lewis said the budget is \$20 to \$25 million. She's directly contradicted by the national President Maude Hurd, who in a handbook for liberal activists published last year, called – by Erica Payne, called *The Practical Progressive* – Maude Hurd said the annual budget of ACORN was \$50 million.

In a book that was recently released, an anthology of essays about ACORN's history, Wade Rathke said ACORN's budget was upwards of \$100 million. And that came out – that was a book called *The People Shall Rule* and it came out just a few months ago this year.

So which is it – \$25, \$50, \$100? Where is all this money going? And finally, there's also the issue of possible money laundering and racketeering. Something that ACORN does that I've never heard of any other nonprofit or network of nonprofits doing is that they routinely transfer six and seven figure sums between affiliates. So money will go, for example – I think there was this one case a few years ago where the American Institute for Social Justice, which

publishes the ACORN magazine called *Social Policy* – they also train community organizers – transferred \$5 million to ACORN. Why would they do that? Why wouldn't – if the money were legitimate and it were going to be used for appropriate purposes, why wouldn't somebody just write a check to ACORN directly? Why would it have to go through the tax exempt American Institute for Social Justice? These questions people have been asking for some time. But we're not getting any answers from ACORN. And eventually ACORN should be forced to answer these questions.

I think the American public will eventually demand it.

MR. FITTON: Thank you, Matt.

Hans please.

MR. HANS VON SPAKOVSKY: Matt, if I don't get anything right, you're going to correct me, right? (Laughter.)

As Matt said, I'm not going to go over all the different accusations made against ACORN. The thing to keep in mind, though, is it's a very far flung operation. They have operations all over the country. ACORN itself – excuse me – claims that it's in 110 cities across the United States. The problem is some of the ACORN subsidiaries do political work, like for example the affiliate that last year received \$830,000 from the Obama campaign to do get out the vote work for the campaign.

On the other hand, there're other affiliates that are tax exempt charities. The problem is that they've received \$127 million in donations and tax dollars, reportedly, since 1993. And that money is moved around between the many subsidiaries and affiliates with no concern over the propriety or legality of doing that.

Now, ACORN fired some of its own directors, such as Ms. Reid, when they started asking questions about how the money was being moved and where it was going and about the internal operations of ACORN. Basically this is an organization that is a tangled mess of interlocking directorates, where a small group directs the dozen of shell companies that routinely move money, perhaps illegally, around in the millions of dollars. And it's a classic pattern if you look at the way things are done that's been used in the past by criminals, particularly the mafia, to launder money and to cover up how money is being transferred.

There're numerous violations of the federal tax law, mortgage law, election law, and campaign finance law. Yet the Department of Justice and the FBI have not opened any investigation that we are aware of of ACORN or any of its affiliates. Neither has the IG at HUD, Housing and Urban Development, and yet HUD has given millions of dollars in grants to ACORN affiliates, neither has the IRS, despite the fact that there is evidence of tax fraud being committed, not just by the organization, but as we saw in the undercover videos, they were providing advice on how to cover up business activities and make them seem legitimate, which amounts to tax fraud.

I want to talk a little bit about the Harshbarger report that Matthew mentioned. I'm not sure who said it's not worth the paper it's written on, but that is true. I'm hopping over Christmas that I'll get a nice fire in my fireplace. I could probably use that report for kindling to get it going.

Look, I'm a former corporate lawyer. I used to be in-house counsel for a large company. And one of my jobs was to investigate problems within the company, particularly when employees or ex-employees said that wrongdoing had occurred.

The first thing I did and the first thing any lawyer would do investigating accusations of illegal conduct is to talk to the individuals who are making the accusations.

Now, if you look at the report that the former attorney general of Massachusetts put out, you will notice that he very carefully avoided talking to any of the ex-employees, ex-directors who have the accusations of wrongdoing who've exposed the violations of the law. He only talked to persons who are currently affiliated with or employed by ACORN.

And the fact at the same time that ACORN is claiming that it did this great investigation and was cleaning up its operations it is suing other whistleblowers like, for example, Anita MonCrief, who is a former ACORN employee, who blew the whistle on some of the things they were doing, and they are suing James O'Keefe and Hannah Giles, who, as you know, exposed the sordidness and illegality of ACORN's operations with their undercover videos. That doesn't show much remorse by ACORN or real intent to clean up the way they do business.

And by the way, who is the former attorney general of Massachusetts? Well, he's the former district attorney of Middlesex County, Massachusetts, who you may recall perpetrated one of the worst cases of prosecutorial abuse in the history of the State of Massachusetts, probably the most miscarriage of justice in that state since the Salem witch trials. He obtained the conviction of Gerald Amirault and other employees of the Fells Acres Day Care Center in Malden, Massachusetts, based on phony hysterical charges manufactured through false testimony, quote, "dragged from preschoolers," as the *Wall Street Journal* put it. He then wrote that case into the attorney general's office in Massachusetts.

Let me talk about the Gershon decision very quickly. Congress cut off funding to ACORN, federal funding, through the continuing resolutions that are right now keeping the government going. ACORN sued, claiming that this cutoff of federal funding was an unconstitutional bill of attainder under the Constitution. Again, without boring you on old constitutional law, bill of attainder is this provision that basically says a Congress cannot act like the judiciary. They can't pass a bill and find somebody guilty and decide their punishment. That's up to the judiciary. But in the entire history of the United States, the Supreme Court's only found a bill passed by Congress to be a bill of attainder five times in our entire history. And Ed Whelan of *National Review* were also sometimes right, called this decision by the judge "a nutty decision." And frankly, I have to agree. If you read it, it reads like something that a first year law student would write.

She starts off very well. She says that invalidating a federal law can be approached only with the utmost gravity and that such provisions enjoy a high presumption of legitimacy. But then she basically overrides what she just said and finds the law unconstitutional. She misapplies the test the Supreme Court has developed for this. And the case shows an unbelievable ignorance of the way our government works and the way our Constitution works.

And let me just give you an example. She justifies her decision because she says that Congress did not, quote, “order any agency of government to conduct an investigation of ACORN’s wrongdoing.” I’m sorry, but Congress doesn’t have the ability, as the legislative branch, to order agencies in the executive branch – the FBI and the Justice Department – to do an investigation. We have a separation of powers. And the executive branch reports to the president. The only thing Congress can do if they don’t like what’s being done in the executive branch is they can have oversight hearings or they can refuse appropriations. But this judge, as under this mistaken belief that Congress was not justified in cutting off discretionary federal funding because it didn’t order the Justice Department to conduct an investigation, which shows a profound ignorance of the Constitution.

She also fouls the congressional cutoff because she said that Congress did not initiate a congressional investigation of ACORN before doing so. Now, I certainly agree they ought to be doing a congressional investigation, but if Congress had to hold hearings before they decided to spend money – that’s just not a constitutional requirement. They don’t have to do that.

And she also faulted Congress because they didn’t follow the regulations that have been issued by some agencies in the federal branch – in the executive branch – which provide for the cutoff of funding to federal contractors who have done something wrong. So basically was saying that Congress has to comply with regulations issues by the executive branch, which is – any lawyer would tell you that’s just crazy.

So it’s a nutty decision, as Ed Whelan says. And hopefully the Justice Department will appeal it and continue to fight the case. I’m not positive that’s going to happen because if you see what’s happened in the Justice Department for the past year, there have been politics behind so many of the decisions that have been made on whether to prosecute and whether not to prosecute, such as the case all of you probably read about when the Department dropped a case that it already won by default against the new Black Panther Party in Philadelphia for engaging in some of the worse voter intimidation the Department had seen in the last three decades.

What needs to happen is there should be a federal investigation going on by the FBI. Only the FBI and the Justice Department have the ability to investigate nationwide organizations, to do what needs to be done to get to the bottom of all that has happened. And I think everyone in this room probably knows that federal investigations have been done of a lot of different individuals and other organizations based on a lot less evidence than this. And if there were five undercover videos, showing a national mortgage broker company, providing advice, in their offices on how to commit mortgage fraud and tax fraud in applying for mortgages, there’s no question that the Justice Department would have opened up an investigation as soon as those videos came out. And yet, that hasn’t happened.

Thanks.

MR. FITTON: Hans, thank you very much.

And next I'll turn over to Marcel Reid. And I just want to reemphasize how lucky we are to have you participating in this with our panel. She is the definition of a community organizer. And so she's seeing ACORN in the way community organizations are supposed to operate, based on her prior experience. And for her troubles of taking on ACORN and criticizing her former colleagues, she's been personally vilified and attacked. So she comes forward and takes on this issue at great personal cost and courage. So we really appreciate that. We do this as a matter of course, but we understand your personal stake in this as well and we appreciate it. So that being said, please Ms. Reid, I turn it over to you.

MS. MARCEL REID: Hello, my name is Marcel Reid and I am currently in exile the chair of ACORN in Washington, D.C., and Northern Virginia. I joined ACORN in 1999 after reading a book. And in the back of that book, ACORN was listed as a resource for purchasing a home. That book was written by Dr. Laura Schlessinger. I noticed that I talk about it quite often, but I don't see anyone raising their hand to admit they did it. (Laughter.) Where I lived at, in Northern Virginia, which is Mount Vernon, ACORN did not recruit, which is something I didn't know at the time.

ACORN recruits specifically by zip code. And there are specific formulations for how they recruit. I lived in zip 22309 and they don't recruit there. So I was attracted to ACORN via the mission. I had lived on military bases and at the time I was living across the street from Fort Belvoir. So I'm very familiar with the mission and what they require. And so for me transferring all the time as a military wife, I had seen the same instance of poverty over and over and over and over again. And I had seen the same offhanded responses to it – pray more, work more, and don't mind.

So I thought if there was a constructive way to try to help address poverty outside of 'we feel sorry for them and pray, work more and don't whine' that perhaps we could start to bend the curve away from him. So I was perfectly prepared to try to do what I could do, not having any answers but certainly wanting to expend the energy.

Many people who are attracted to ACORN are attracted for that reason: they are not people trying to overthrow the country, nor do they have any hidden agenda. Most of them have absolutely no agenda. They just see something wrong and they're trying the best way they know how to fix it.

You have to start from that premise because if you start from any other premise, you paint them into people they are not and cannot be.

So once I saw that there was something wrong, what I disliked was the model of ACORN. The model of ACORN were all of these poor, poorly educated, poorly spoken people railing against the powers that be without an understanding of what it was.

And some of the people in ACORN are well educated. Many of the people in ACORN have one or several degrees. So it's not – you know, just a cacophony of ignorant people running about screaming. Some of these are people who just don't know how to make the system work better and they have no idea of how to do it. So when you don't know what to do, sometimes you do the wrong thing in an attempt to do the right thing. There's a saying: the road to hell is paved with good intentions. Well, this road was broad and long. (Laughs.)

So anyway, I think O'Keefe and Giles – I've spoken to Mr. O'Keefe but I thank them both. I was quoted by Kathleen Parker by saying, if I didn't know all it would take was a half-naked 20-year-old, we would have hired one a couple of years ago and got this show on the road. (Laughter.) O'Keefe laughed. I've yet to figure what Giles said.

Back after the theft, they appointed three people from the board, myself, Marcel Reid, Karen Inman, and Carol Hemingway. I think the crux of this story is in that triangle.

I was elected to reorganize ACORN. Of course, I didn't have the abilities because I didn't know how big it was, but that was what my title was. I was there to reorganize ACORN. Karen Inman was there to look at the legal aspects of ACORN because she sat on the board and never said anything but she is an attorney barred in three or four states. And then there was Carol Hemingway.

The reason that this story is so important is you have to understand that of the three of us we were supposed to take the organization and start to do an investigation of what had happened with the theft. And after most thefts there's automatically a forensic audit. You want to find out who stole the money; did anyone else steal the money; if so, are there certain procedures that you should put in place to prevent this from occurring again?

When we went out after the board had told us to hire experts who could perform these tests for us, I went to one of the large accounting firms in the U.S. and asked them to perform this function.

Well, large accounting firms like Arthur Anderson have an investigative branch. I don't know the name for it. Perhaps some of you do. That actually look at a case before they take it because Enron they don't want to be burnt. They took a look at ACORN and said, no. We don't know what you are. We're not touching you.

So Karen Inman and I went ahead and started to file suit. We filed for temporary injunction and we wanted injunctive relief to find out what was going on within the organization. Of the three of us appointed to do this, two of us joint onto that suit. The third was promoted to the treasurer of ACORN. They were over financed. Karen over legal and I was over organizational development.

We always say that if the third leg had done their job, we wouldn't be here today. I was not charged with looking into finances. They were. But we couldn't carry the organization forward if we didn't know what the finances were. Just here is – I'm sorry – Charles Turner.

When everyone talks about ACORN being a show game, he is the person who came up with that saying. Mr. Turner was a member of the board here in Washington, D.C.

The reason that this is so important is once you figure out that there were the three of us and the two of us filed the suit and the third was promoted to treasurer, it starts to give you an idea of how ACORN operates.

ACORN is very good at separate people who come against it because they're organizers and because people don't understand what a really professional organizer does, they don't know how to stand up against an organizer. I tell people that every great religion and every great war is the result of an organizer. If you don't understand how powerful they are and how they do what they do, then you have no way possible of understanding how to stop it. What organizers do is that they turn people's already prejudices or opinions into something that they can galvanize and use. Recently you see that as tea parties. That's organizing efforts.

So with us – we filed suit on August 11th, 2008, in New Orleans. We filed to have – to take a look at the books because we found out about CCI. Prior to Karen Inman and myself filing that suit, in the history of ACORN, no one had ever figured out how they were handling the money. No one had ever figured that out.

We figured that out because we discovered what CCI was. And CCI was a clearing house where all of the money came in and then the money was partitioned out anyway it wanted to be. The reason why checks are written to everyone except ACORN is that ACORN is not tax exempt. ACORN is a 501(c)4 that pays taxes. I understand through research there are only two corporations in the United States set up as ACORN is and I don't know the name of the other one.

So with ACORN, they set up a number of nonprofits, a number of for-profits, and then they had this huge thing called ACORN that really is just a paper corporation. So ACORN invites fire and invites lawsuits because once you start to probe, there's nothing you can get your hands on. It's just paper. So it's structured brilliantly.

The next thing you need to know about ACORN and the way that it's structured is that the people who structured ACORN are geniuses when it comes to corporate law. They (know ?) exactly how to get around it and they've done so successfully through so many years to when people from the board of directors figured it out and started to sue, they attacked us every way that they could because no one had ever been able to do it before. No one ever had known how ACORN was set up. It amuses me now that everyone knew when the first people found out as we went forward with the suit.

The reason that that is so important is because ACORN Housing on paper is not ACORN. So what actually happened here was that O'Keefe and Hannah Giles went into ACORN Housing offices which is a separate free-standing corporation. You understand this, no? They didn't go in ACORN.

So ACORN uses this to fuse the story together so now people will say that they went into ACORN offices and attacked ACORN and ACORN can turn around and say, no, you didn't. We're not ACORN Housing. ACORN Housing is a separate corporation, and they can use that fine point to say, see, once again you haven't told the truth because technically they didn't go into ACORN offices. They went into ACORN Housing offices.

If you understand this fine point of ACORN, then you'll understand why ACORN has been so very effective at never, ever being caught because technically they never went into the ACORN offices. Those employees, some of whom I knew, they didn't work for ACORN. They worked for ACORN housing which is a separate corporation.

So when Bertha Lewis got up and started to defend ACORN Housing, she shouldn't have done. ACORN Housing should have been defended by the chair of ACORN Housing who is Alton Bennett or defended by the executive director of ACORN who is Michael Shea.

But because Bertha came out and defended ACORN Housing, now people think that it's ACORN which only gives ACORN the opportunity to then turn around in three, or four or five months from now and say to you, well, why are you attacking us? They didn't come into our offices. They came into ACORN Housing offices.

So I think before that there can be a really good prosecution of ACORN for what they've done and the people that they've hurt, there has to be someone who will do the research to find out what ACORN actually is because without that, this will continue to go on.

I'm sure that somewhere in this case, which I have not read – but I did read the report by Harshbarger, we called that the Harshbarger hogwash. (Laughter.) He didn't interview any of us and you cannot pursue this if you haven't interviewed any of us, because ACORN Eight is made up of the eight members that stood up in that board room and fought ACORN, and there were eight of us and 400,000 of them. Those are the eight people who make up the ACORN Eight. There is no one else who was a member of the ACORN Eight at that time. We have since taken on other members to ACORN Eight but those are the original eight members. Everyone else connected with this story is fine but we were the people in those rooms. We know what happened in those rooms. We know the battles that we waged. We know the questions that we asked and we're fully aware that none of them have ever been answered.

And what's happening now, and we see it and we're trying to once again scream out and explain to people, understand what ACORN is so that when you ask questions, those questions are precise and correct and that you take into account that the people who built this organization were brilliant. I always say the same thing about Wade Rathke. He is an organic genius. He sprung forefront to the earth, five IQ points brighter than everyone else and he's been doubling it every decade since. So he loves the fact that he didn't finish college. He loves it because it gives him an advantage in the game. Thank you.

I always thought that there were 12 or 15 ACORN iterations. I never knew that there were – you know, I found out in Detroit when we were addressing Wade Rathke that they had 100 and I was in a state of shock and I was on the board and I knew nothing about that. And

then I learned later because the council sent me a list of 204 corporations and I knew then there was something desperately wrong and then I found out after the report came out from the oversight committee, you know, is ACORN a criminal entity that there were 361. I did not know.

MR. FITTON: Matthew, you know, you usually – public advocacy groups have a C(3) arm and a C(4) arm at most. Many just have one. Are you aware of any C(4)s that are tax exempt that actually pay taxes, which is kind of a contradiction in terms, but there's nothing like ACORN out there.

MR. VADUM: I really don't think there is anything even comparable to ACORN. There are some liberal community organizing networks that are big, but they're not nearly as large as ACORN, such as Solinsky's Group is still around, the IAF, Industrial Areas Foundation. There's PICO which is think stands for People in Communities Organizing, or is it People Improving Community by Organizing, something like that. And then there's another one, DART, Direct Action Research and Training Institute. So there are a whole bunch of these things and a lot of them are church-based. They try to get support in various religious congregations but they're tiny compared to ACORN.

MR. FITTON: Hans, one topic we didn't address much is the issue of the voter registration fraud allegations – 12 or 14 state investigations, the most accurate arguably in ACORN's headquarter state or former – now they've moved out of New Orleans or so we're told. But down in Louisiana and Nevada where ACORN specifically has been targeted by law enforcement. Can you give us a feel for the allegations out there and why it's important?

MR. VON SPAKOVSKY: I will. And there's one important point to make here. I mean, Marcel got into this with ACORN because of her ideals, because of the work she wanted to do in the community, and there are lots of community organizations on both the Left and the Right to do terrific work.

You know, I may not always agree with their politics but none of those other organizations have engaged in this kind of wrongdoing, have violated a law like the founders of ACORN have the way they ran it. There are lots of organizations that do voter registration drives.

Again, lots of organizations on the Left and the Right that do this, that do it well. There's only one organization that has in election after election had its employees indicted and convicted for voter registration fraud.

In Washington State, I think two years ago, ACORN actually entered into a settlement agreement with the state of Washington to avoid criminal prosecution; paid a large penalty and agreed to set up certain rules to prevent this from every happening.

This is not only dangerous to our election system but frankly it's bad for legitimate voters who want to register and vote. Why? Well, because, unfortunately, ACORN – if you mention ACORN to local election officials, they just shudder because ACORN has this continuing habit

in past elections of turning – they would go out, they would register people to vote – that is the legitimate legislations – and then they would hold on to the registrations and often times they would turn them over to local election officials on the day that is the deadline for getting registered to vote.

And so suddenly, these election officials are trying to get ready for an upcoming election, you know, a month away, two weeks away, have thousand of voter registration forms dropped on them, many of which have missing information, many of which are fraudulent and have limited time, limited resources – they're trying to process the voter registration forms of legitimate people who want to get registered, who want to vote and they're inundated with these kind of forms.

So this is dangerous for regular voters, people who want to vote in upcoming elections. And again, this is a federal violation of the law, voter registration fraud. And there was a great quote from a former ACORN employee, Nat Toler (ph), who said, there's no quality control on purposes, no checks and balances in the voter registration area. And this is a problem that needs to be solved. You don't have something like this happen time after time after time, unless there is not just a problem with employees trying to do something wrong but in the way they're being trained and supervised.

And we also have a lot of evidence now that these are supposed to be non-partisan activities and in fact, there was a report done a year ago by ACORN's own lawyer, Elizabeth Kingsley and she said that the tight relationship between Project Vote and ACORN made it impossible to document that Project Vote's money had been used in a strictly unpartisan manner which is illegal.

MR. FITTON: Marcel, these issues came up presumably while you were active on the board. What was – how did you all think about it? What was discussed to the degree you're able to disclose it?

MS. REID: You know, it isn't that I'm not disclosing when it came to Project Vote but there was not a firewall but to be very honest with you, normal ACORN members just – we were not concerned with Project Vote for one very simple reason. We never thought that it really swayed elections. We all knew that.

MR. FITTON: What was the – getting back to the other issue, why is it you think you had Mr. Rathke and the others set up 200 corporations? Was it an honest effort to spread the impact around and make it ACORN opponents in terms of the legitimate public policy battles, put them at a disadvantage, or do you think there was a nefarious motive even outside the embezzlement?

MS. REID: I really don't think the embezzlement was a primary concern of ACORN's. ACORN – it was very hard for me to explain this to someone who asked me about it before. ACORN's concern has never been money. It's been power. And money it just an end to power. So if you case ACORN in a way that says that they want to get a lot of money, that's incorrect. They want a lot of power. And power often needs money to start the fire, but that really has

never been ACORN's intention. It's been about power, power, because power is what pushes through social agendas and they wanted to push through social agendas. So it's not ever been about money.

So that's why the embezzlement was such an egregious thing to happen to ACORN because it derailed it from its original mission that we perceived it to be, but it also derailed it because ACORN operates best when it's just below the surface, almost like a pimple that hasn't quite come up yet. You know it's there but it hasn't shown yet. That's when ACORN's most effective. I often say the worst thing that could happen to ACORN was this last election cycle.

MR. FITTON: Do you think they'll keep their promises of not participating in voter registration drives in the future? Do you think they're really out of it or is that just talk?

MS. REID: Oh, I don't – I don't know. My own experience with ACORN at this point is rather raw. So I would be surprised. But I don't think that they'll ever call it Project Vote again. (Laughter.)

MR. FITTON: Matthew, I'd like you to talk a little bit about – and then I'll open it up to the floor – you know, you were talking about the government funding, but, you know, ACORN has its enablers in the private sector from surprising sources I think and your expertise in uncovering those networks and funders and such. Could you talk about that and whether or not the private sources of funding from corporations and others are going to be negatively impacted by the recent problems?

MR. VADUM: Well, so far, a lot of the corporate foundations that fund ACORN have cut off ACORN. In the case of Citigroup, CEO Vikram Pandit said he was waiting for the Harshbarger hogwash to come out and it came out and I've called his office and didn't really get a clear answer. I was told that they're still considering it. They haven't decided what to do yet.

ACORN gets so much of its corporate foundation money from big banks, which is not surprising since big banks are its usual clients, or I should say victims, in their shakedown operations. And a lot of them have curtailed their contributions because of the adverse publicity surrounding ACORN because of the hidden camera videos.

But something that hasn't been as – lots of money is still coming in on the non-corporate foundation side like for example George Soros' Open Society Institute as far as I know is still funding ACORN and a lot of the other big foundations are still funding ACORN.

There are some diehard supporters of ACORN such as the more obscure ones you might not have heard of like the Need More Fund which is devoted to community organizing and various other radical foundations like the Tides Foundation which played a role in covering up the embezzlement, the founder, the head of it, Drummond Pike personally wrote a check for about \$700,000 out of his own bank account to cover the remainder of – to cover the restitution because the Rathke family was paying back the \$1 million over time and by the time the embezzlement was exposed publicly eight years after the fact, \$700,000 and change remained to

be paid. So Drummond Pike personally wrote a check, apparently so that he wouldn't have to – so that the names of his donors would not have to be revealed.

The Tides Foundation's pretty shadowy outfit it's a pass through and people can donate money to it and then their donations are then handed out anonymously so you can – if you're like a George Soros, for example, you write them a check, you get your tax deduction and then the money just sits there until you tell them what to do with it and then nobody knows that you're behind various things that you might not want to be associated with for business purposes.

MR. FITTON: Interesting. I'm going to open up the floor to questions. And if you keep your questions to questions and we do have a microphone so we encourage you to use them. Actually wait for the microphone before you ask your question or make your comment. So yes. Right up front here.

Q: You said that some of the money was coming from the federal government which is taxpayer money and if you get a grant for – (off mike) – federal government, when you get that grant, you're required to set up a system whereby the money is – (off mike) – in a pocket or whatever and only that money can be used for that grant and for nothing else, only for the purposes what the grant is – (inaudible). So it would seem to me that people who are working on a contract know – they know that they're working on a contract and they know that their hours go into that contract with that grant and it doesn't seem reasonable that they wouldn't understand that. Did you ever have an audit by the people, the grant organization or the contractor organization and whether they came in to see if you in fact were segregated that money from that grant and that contract?

MR. FITTON: Did you hear everything? Yes, Marcel.

MS. REID: All the money went through CCI and CCI for financial purposes of ACORN was exactly like the Tides Foundation. So no matter what check was written to ACORN, it went through CCI. And at that time the funds might have been commingled but because our board here in D.C. asked for three solid years for information about the funds but we were never answered. We were always stonewalled. And because of that, we have no idea what happened to the money because absolutely every grant that comes into Washington, D.C., for instance, is sieved through CCI and then they make decisions where those funds are allotted. And because of that you have absolutely no way of tracing the funds.

MR. FITTON: So the documents we uncovered from 1995 by the AmeriCorps program where there was the auditor of the grant that resulted in some moneys being returned. But as you point out, ACORN is more than just one organization so the federal government can presumably fund essentially the same group but under a different corporate name and the misconduct doesn't apply across the board or the prohibition doesn't apply across the board and ACORN continues to receive funding through other means.

MR. VON SPAKOVSKY: The other thing about this is that the inspector general for the Department of Justice actually recently released a report. They were trying to take a look at whether ACORN received any grants from the Department of Justice.

And the report said that they hadn't gotten any grants directly but what they think they found about was \$200,000 that had gone to other organizations or gone to state and local governments which then in turn had given some of that money out to ACORN. And in most of the cases, ACORN was unable to substantiate that they had done any of the work that they had gotten the grants for.

Now, various ACORN housing organizations have gotten millions of dollars from the federal government. And I'm not aware that there'd ever been any audits done by the inspector general at HUD to make sure that those ACORN affiliate and subsidiaries which got federal tax dollars and got grants actually substantiated that they did any of the work that they were supposed to do.

I mean, Matt, I'm not – are you aware of any report of the IG on that? I'm not. I mean, that's something that needs to be done and it's not being done.

Q: It's not necessarily the IG though. It's – (inaudible) – that the organization that gave the money – (inaudible).

MR. VON SPAKOVSKY: Oh, I agree. And one of the things that ought to happen is state legislators all over the country ought to be checking with their state governments, particularly in states that have state auditors and asking them to check whether ACORN affiliates and subsidiaries have received moneys from the state government and if so, they should be asking for audits and asking those organizations to substantiate that they did what they were supposed to do with the money.

Q: Somebody signs that – (inaudible) – and says that the work has been done. Somebody signed it. Somebody is responsible. It's not just up in the sky. It is there and if it isn't there, they would never get any money.

MR. FITTON: Yes. Well, thank you – that's a good point.

MS. REID: I would like to –

MR. FITTON: I'm sorry. Go ahead, Marcel.

MS. REID: Well, I'd just like to say that the Catholic Campaign for Human Development, after doing their own audit, did cut off all funding to ACORN for specifically that reason. Once they did the audit, that's what happened to the funds. They could not track back. There were no clear paths. And they did cut off all the funding.

MR. FITTON: And the Catholic Campaign for Human Development is certainly simpatico with ACORN in terms of its mission and philosophy.

MS. REID: Absolutely.

MR. FITTON: So it wasn't because they didn't like what they were doing. It was how they were spending the money.

MS. REID: Absolutely.

MR. FITTON: Yes.

Q: Ms. Reid, thanks for coming here today. I appreciate taking the time and having the – (inaudible) – to come forward and talk as you had. Of the 300 and some elements of ACORN, what's the control group? What's the leadership? Where does it all come together? Is there an executive committee, a leadership cell? Who are the folks who are coordinating all 300 and somewhat – (inaudible)?

MS. REID: Well, you know, we started to do our own research before this story broke back in August of '08. And what I can tell you is what we did find as Hans did talk about the interlocking boards – we found there were about 30 people, 30 and 40 people whose names kept appearing on all of the lists because we submitted a list of 31 questions. I submitted that list in July of '08.

And one of the questions I specifically asked was for the names of all of the corporations, all of the minutes – I asked for all of the minutes for five years going back for each one of the listed corporations. I wanted the minutes. I wanted the names. I wanted the year it was incorporated. I wanted to know about any bank accounts that were held or had been closed. And the same 30 names kept popping up.

MR. FITTON: So it's about 30 or 40 people generally? Now, Mr. Rathke, in terms of title – I guess he's been either demoted or – is he still involved in the management of the operation?

MS. REID: Wade Rathke?

MR. FITTON: Yes.

MS. REID: No. Wade Rathke – his relationship with ACORN was severed by motion and movement of the board in July '08 in Detroit.

MR. FITTON: So he's not participating at all in another capacity?

MS. REID: No. Oh, no.

MR. VON SPAKOVSKY: Well, we're not sure about that because I think his relationship was severed as far as ACORN but I believe he is now the head of ACORN International which is trying to replicate ACORN all over the world.

And what we don't know, because there's been no forensic audit done of ACORN is we have no idea how much money from ACORN and its subsidiaries and affiliates, tax dollar, et

cetera – we don't know how much of that money, if any is flowing over to fund the operations of ACORN International and pay Wade Rathke's salary. We have no idea. And that is another problem.

MR. VADUM: As far as I know, he actually is involved in some level with three affiliates. I believe he is still the editor-in-chief of *Policy Review*, the ACORN magazine. It's a quarterly, I think – put up by the American Institute for Social Justice. He is still a director of AMFM which is the Affiliated Media Foundation Movement which I don't even really understand what they do. I think they fund radio stations or community programming or something like that. Somebody will probably explain it to me one of these days. And he's involved with ACORN International which has changed its name to Community Organizations International, apparently at the behest of ACORN but maybe it was the organic genius' decision to re-brand his subsidiary. I'm not sure.

MS. REID: I have just one point of clarification.

MR. FITTON: Go ahead.

MS. REID: COI is COI in the United States under that name, International, ACORN International.

MR. FITTON (?): Oh, because the brand hasn't been tarnished in India, for example.

MS. REID: It's not tarnished in India. Yes. Yes. And I think that he bears watching. One of the things that disturbs me most is that while we're looking here, he is replicating ACORN all over the world now.

MR. FITTON: Yes. Fred. Wait for the microphone please.

Q: (Off mike.)

MR. FITTON: Oh, okay. Well, speak loudly so our microphone can pick you up.

Q: Well, just following off on the previous question about the 30 or 40 individuals that run this thing – (inaudible) – that there's been argued two ways and whether it's a top down operation that it's corrupt at its core or if it's just like blatantly and horribly disorganized and people just are mismanaging the money, you have individual employees giving advice to Hannah Giles and so forth. Which one would you say – I mean, is it definitely a situation where it's top down corruption involved in this?

MR. FITTON: Go ahead.

MS. REID: There's a guillotine right there in the corner – (inaudible). (Laughter.)

MR. FITTON: In for a penny, in for a pound, right?

MS. REID: No. I would really say one of my huge issues with ACORN has always been is that decisions don't flow from the bottom up. Decisions flow from the top down. And it doesn't show that way but ACORN is very stratified and there seems to be the bulk of this information in the hands of maybe 100 people and then everyone else below that really doesn't know what's going on. So it is corrupt and I would say it's entrenched in corruption but it's at the top. The people at the bottom really do not know.

MR. FITTON: I'd have to say one of the disingenuous things about this Harshbarger report, you know, he did introduce the concept of reform of ACORN in a general way where you would cut off a lot of these organizations and narrow the focus and kept it down to two or three but that's been previously proposed, and the so-called reform movement now that controls ACORN hasn't done anything on it yet and seems to actually – if the ACORN International stories are accurate, they're just making it even larger.

MS. REID: Even larger, even harder to catch because the thing about them is, I will say, they do adapt. They do adapt. And the one mistake here is that this is so protracted that by the time that there's any action actually taken, they will have adapted around it.

MR. VON SPAKOVSKY: All they would have gotten rid of all the evidence.

MS. REID: That's right.

MR. VON SPAKOVSKY: But they don't forget that the San Diego office of ACORN was told by the attorney general of California that they were going to be – the attorney general was going to look into what they were doing. He was going to pay them a visit. And suddenly, 25,000 documents were dumped into the trash outside that office including highly private information about mortgage applications and bank account records of Citibank, it was Citibank customers.

Also, the Louisiana Attorney General's office is investigating ACORN which has a headquarters in New Orleans. And one of the reason that they testified at a hearing before Congress where I was and they said one of the reasons they executed a raid of the ACORN offices was because they had initially been talking to ACORN's lawyer in New Orleans about documents and other information that they had wanted to get and the lawyer called him up and said, well, I hate to tell you this but three of the hard drives have disappeared and we don't know where they are in which case – so that the attorney's general's office immediately executed a raid and seized all of their computers and other records.

The point is we have specific examples here of internal documentation, possible evidence disappearing and that is a real problem that is enhanced by the fact that the federal government is not doing the kind of investigation they should which is a forensic audit as Marcel said. That's exactly what needs to be done.

MR. FITTON: Okay. I think we have time for one more question. Yes. In the back.

Q: Just a quick comment. The question was asked – what 200 plus organizations set up, why were they set up? In addition to the fact that they were set up to make it more difficult to follow the money, but something that hasn't come forth yet but may, if indictments ever come down is plausible deniability.

MR. FITTON: Go ahead, please.

MS. REID: Charles Turner was on the board here in D.C. But I'd just like to make one point here. On January 7th, 2009, in 15 states ACORN Eight went in and asked the Justice Department to take a look into ACORN. We put the complaint out and we charged them with the U.S. mail fraud, the violation of our civil rights and that complaint is available on our website if you'd like to take a look at it. So a year ago, almost a year ago, we were filing complaints against ACORN.

MR. FITTON: And this is making even some Democrats in Congress, John Conyers when he first heard about some of these allegations said, well, we ought to do more investigation. Then he said, no. He talked to the – (inaudible) – in the House and they told him no.

MS. REID: I was actually sitting in the room when he said that.

MR. FITTON: Yes.

MS. REID: And he argued that the chairwoman had learned about it you know, as much as they can argue in public. He actually – they went back and forth like there times and then he came out again and asked that he take a look into it. And it was Nadler who fought him back.

MR. FITTON: Hans, is the Justice Department going to set up a tip line for ACORN allegations given the registration fraud allegations? That seems to be a no-brainer in terms of a voting section investigation, but nothing's been – the Bush Justice Department – (inaudible) – won't either. So it's not like it's a partisan charge we're making here.

MR. VON SPAKOVSKY: Yes. I really just can't explain the dereliction of carrying out the responsibilities in this case. I'll give you another quick example. The way in which the charitable affiliates were used for what seemed pretty clearly partisan political purposes was exactly one of the things that Jack Abramoff was indicted and convicted for. And yet, you know, that investigation took off very quickly, was very comprehensive. You know, the right thing was done in that case. Convictions were obtained. We had the same similar type of activity here and yet nothing is being done about it at the federal level.

MR. FITTON: Matthew, any concluding thoughts?

MR. VADUM: I think that ACORN is an organized crime syndicate and it's about time we start treating it as such and it has not. And I admit it. I'm a conservative with a foot in the libertarian camp, but that doesn't have anything to do with my feelings about ACORN. There

are lots of honorable Left wing groups that don't engage in the kind of chicanery and racketeering that ACORN does. And I think it's about time that they get what's coming to them.

MR. FITTON: Marcel, where do things stand with the litigation that you've been involved in and the ACORN – (inaudible) – involvement?

MS. REID: We have no idea. We have no idea. We do know that we filed these complaints. They're at the website. You can go to acorn.com and take a look – acorneight.com and take a look at them. They're there for anyone to see. We've approached – Louisiana as the only people that we've approached that actually –

MR. FITTON: Responded.

MS. REID: – doing something.

MR. FITTON: And ACORN left Louisiana, at least so they tell us in response.

MS. REID: I believe they did. I'm not sure. I'm not sure. And our documents have been available for a while but what we were looking for relief through the Department of Justice. And so one of the things that one of the attorneys told us was that we should not take all of our information public at that time – we should cut it so that they wouldn't make the moves they've made.

MR. FITTON: So one more time, your website.

MS. REID: It's acorneight.com or acorn-eight.net.

MR. FITTON: And Hans, how can people learn more about your work? Heritage.org?

MR. VON SPAKOVSKY: www.heritage.org.

MR. FITTON: And Matthew, you're all over the place too.

MR. VADUM: Yes. Capital Research Center, which is capitalresearch.org; *American Spectator* which is spectator.org; and BigGovernment.com which is biggovernment.com.

MR. FITTON: And we'll let people know how to contact Judicial Watch so we believe you – judicialwatch.org. So we appreciate all your time and appreciate the participation of all our audience and I wish you all Merry Christmas and a Happy New Year.

Thank you very much.

(Applause.)

(END)