



Written by [R. Cort Kirkwood](#) on October 27, 2009

## ACORN's Nutty Antics

If events of the past few weeks are the end of ACORN, the Association of Community Organizations for Reform Now, two individuals can take credit: James O'Keefe, 25, and Hanna Giles, 20.

Posing as pimp and prostitute, the two posted five videos at BigGovernment.com that pounded and pummeled an organization that has been corrupting urban American politics and defrauding the public for nearly four decades. What veteran conservatives failed to do in those 40 years, this pair did in less than a week.



Their work may well end the scam of leftist fraud and extortion that travels under such euphemisms as "change," "empowerment," and "community organization" and put ACORN on the side of the angels. O'Keefe and Giles have called into question the entire infrastructure of federal funding for the radical Left.

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Beyond the videos is the widespread involvement in vote-registration fraud among ACORN's front-line soldiers, the street workers who "organize" the "communities," the fancy way of saying they dragoon voters, particularly minorities, to vote for leftist Democrats. Their ultimate triumph was helping to put Barack Obama, their former attorney, in the White House.

But even Obama couldn't protect ACORN. The recipient of millions in federal money throughout the years, ACORN is on the ropes, struggling to survive. It suspended frontline operations pending an internal audit and is retraining employees. Its political support evaporated. It may face an investigation from the Justice Department. It could be the end.

Perhaps ACORN officials are so arrogant they thought would never get caught. Perhaps they were simply sloppy. Most likely, their possible destruction is a combination of both. Whatever the case, Americans should be grateful.

### What Is ACORN?

Oddly enough, of all the news it has made, ACORN is a cipher for Americans. They don't have the faintest idea of what it is or does.

ACORN opened its doors in Little Rock, Arkansas, nearly 40 years ago, the brainchild of leftist Wade Rathke, a professional welfare hustler who also founded the Service Employees International Union. In at least one case, that group used violence and beatings to help Obama tamp down the ire over Democrat healthcare reform plans at town hall meetings. Rathke advertises himself as the "chief organizer" on the Web, riding on his reputation with both groups. To give you an idea of Rathke's kooky outlook, consider that he scolded a former radical who, as an FBI informant, helped stop an attack on the GOP national convention in 2008.



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The story ACORN tells at its website is one of an organization that helps the little man, alleviating his plight with “community action” and what not. ACORN claims to have registered millions of voters who otherwise would not have found their voice. It brags about raising the minimum wage and talks about the “extensive” services it provides to clients, such as free tax preparation and “screening” people for welfare. It also helps the poor get home loans.

As its own propaganda says, from little acorns mighty oaks grow, and grow the organization did. ACORN comprises 400,000 member families, it says, in 1,200 chapters in 75 cities across 43 states. Since 1994, ACORN has collected some \$53 million in federal tax money, and who knows how much before that.

### **Corruption, Embezzlement, ?Voter-registration Fraud**

The group put all that free money to good use, according to a report from the GOP staff of the House Committee on Government Oversight and Reform, led by Rep. Darrell Issa (R-Calif.). Its findings reveal ACORN to be an organization so rife with corruption it ought to be the subject of a special prosecutor, given the group’s ties to Obama. Amusingly, Obama’s campaign, which shoveled \$832,000 into the group during the last election, suggested such a prosecutor to protect the group when the federal government began investigating its voter-registration fraud. Obama claimed the probe was politically motivated to damage his campaign.

The first sentence of the GOP staff report is an eye-opener itself: “The Association of Community Organizations for Reform Now (ACORN) has repeatedly and deliberately engaged in systemic fraud.” The news goes downhill from there in a report that documents ACORN’s race to the bottom.

The report’s major findings show that ACORN repeatedly trespassed all manner of federal laws. ACORN, the report says, “is a shell game” with a “complex structure designed to conceal illegal activities, to use taxpayer and tax-exempt dollars for partisan political purposes, and to distract investigators. Structurally, ACORN is a chess game in which senior management is shielded from accountability by multiple layers of volunteers and compensated employees who serve as pawns to take the fall for every bad act.”

ACORN, the report avers, “has evaded taxes, obstructed justice, engaged in self dealing, and aided and abetted a cover-up of embezzlement by Dale Rathke, the brother of ACORN founder Wade Rathke. Committee investigators have established that a violation of corporate duties led to gross abuses of tax laws and other federal regulations.” Documents show that ACORN knew about its “lax management structure” but ignored problems to “continue a cover-up of criminal activity. By refusing to report Dale Rathke’s embezzlement of \$948,607.50 as an excess benefit transaction, ACORN appears to have violated the Internal Revenue Code. ACORN’s cover-up of the embezzlement for more than eight years would also constitute obstruction of justice.” The embezzlement charges ended in the brothers losing their jobs.

According to Louisiana’s Attorney General, Buddy Caldwell, the embezzlement scheme may well have been as much as \$5 million, but in any event Issa’s report also accuses ACORN of investment fraud and alleges that the organization is a “racketeering enterprise affecting interstate commerce. Committee investigators have documented ACORN’s use of charitable contributions against donor intent, typified by ACORN’s secret transfer of donor funds to recover losses due to embezzlement.”

Even worse, the report claims, ACORN violates the law by using federal money help to elect leftists to local, state, and national office: “Committee investigators have unearthed documentation that ACORN



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and its affiliates conducted meticulous research that fed aggressive campaign initiatives designed to elect Democratic candidates in targeted races. ACORN forged both formal and informal connections with former Illinois Governor Rod Blagojevich, Ohio Senator Sherrod Brown, and President Barack Obama, among others. Each of these campaigns received financial and personnel resource contributions from ACORN and its affiliates as part of a scheme to use taxpayer monies to support a partisan political agenda. These actions are a clear violation of numerous tax and election laws.” ACORN affiliates took credit for electing Blagojevich to office.

As far as voter registration goes, the report says, “nearly 70 ACORN employees have been convicted in 12 states for voter registration fraud, though no federal charges have been filed against ACORN’s directors. In fact, Pennsylvania judge Richard Zoller — after holding a low-level ACORN employee liable for election law violations — noted that ‘somebody has to go after ACORN.’”

Somebody did go after ACORN, we now know, but in any event such was ACORN’s voter fraud that “one-third of the 1.3 million voter registration cards turned in by ACORN in 2008 were invalid.” Unsurprisingly, “ACORN has been investigated for voter registration fraud in Nevada, Connecticut, Missouri, Ohio and North Carolina. ACORN has faced a series of alleged inadequacies and indictable offenses: In 1998, an Arkansas ACORN employee was arrested for falsifying voter registration forms.”

News reports back up the report’s claims. Just weeks ago, ACORN officials turned in 11 of their own workers for falsifying voter registrations in Florida. According to the Associated Press, the workers face multiple felony counts that could put them in prison. The ACORN workers turned in some 1,400 registrations, 888 of them faked. The fake names included Paul Newman, the late actor, who was used in several applications. Yet, AP reported confidently that “there was no evidence anyone voted who should not have.”

The deceased film star wasn’t the only celebrity ACORN workers tried to falsely register. Last year, Mickey Mouse and the starting line-up of the Dallas Cowboys turned up on Florida’s voter rolls, and one voter was registered 21 times. The fraud in Florida, however, which included registering convicted felons, was a microcosm of a nationwide effort to put as many voters for Obama on the rolls as possible. Prosecutors in Washington state nailed seven ACORN workers in July 2007. ACORN paid \$25,000 to defray the cost of the investigation, which uncovered the largest case of voter fraud in the state’s history. ACORN used felons to register voters in Milwaukee.

The GOP report rightly concluded that the evidence proves that ACORN’s “stated purpose to promote grass-roots civic participation has been perverted through fraudulent and illegal acts.” And that’s putting it mildly. “This syndicate of tax-exempt organizations has coordinated and implemented a nation-wide strategy of tax fraud, racketeering, money-laundering and manipulating the American electorate.”

### **The Videos**

Amazingly, this has been going on for years. No politician has tackled ACORN. Nothing was done. Only conservatives who sought to “defund the Left,” as the old program run by Howard Phillips’ Conservative Caucus was called, even attempted to get at the myriad leftist organizations taxpayers unknowingly fund. Success was merely a dream. Until mid-September. That’s when BigGovernment.com stepped forward with the now-famous videos. The website is the brainchild of Andrew Breitbart, a young conservative journalist who also runs BigHollywood.com. At BigGovernment.com, Breitbart exposes corruption in the federal government.



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O’Keefe and Giles began meeting with ACORN employees and taping their encounters. In city after city, the pair asked for advice on opening brothels and smuggling underage Salvadoran prostitutes into the country, and in city after city, ACORN employees eagerly advised the pair on everything from how to perpetrate federal tax fraud to which city in Mexico would be the best for smuggling the girls. The pair stung offices in Baltimore, Brooklyn, Washington, San Diego, and San Bernardino.

In each of the encounters, O’Keefe, who plays a law student pimping Giles to finance a future campaign for Congress, openly and repeatedly tells the ACORN employees that he and Giles will run a prostitution business, but banks have “discriminated” against them in housing loans because prostitution is, of course, illegal. Not one of the ACORN offices turned the pair down. Nor did any of them blanch when O’Keefe revealed that he and Giles would recruit 13 underage Salvadoran girls to work as prostitutes. Rather, the employees went forward with the interviews, giving detailed advice on how to run the business without getting caught.

The employees in Baltimore said a few Salvadoran girls could be used as tax deductions, and to call the underage girls “exchange students.” “Don’t worry. You’re fine,” an employee assured O’Keefe and Giles. Just “make sure they go to school.”

“But they can still work?” O’Keefe asked.

“They can still work, but they need to go to school,” the employee confidently replied.

In New York, an ACORN employee told Hanna Giles that “what goes on in the house, we don’t care.... We just help you with the mortgage.” She also told the pair that “honest is not going to get you a house,” and that the pair didn’t get bank loans because they admitted their scheme to the banks. As well, she advised, “When you get a house with a backyard ... you get a tin and put the money in it ... and bury it.”

In San Diego, the employee told O’Keefe and Giles, “I have a lot of contacts” in Tijuana to help smuggle the girls into the United States. “How much do you charge?” he asks Giles, telling O’Keefe that he was not, of course, a “potential client.”

The only sting that doesn’t appear to have worked is the one in San Bernardino, where an employee told the pair she murdered her husband and threatened to murder a colleague to whom she sent the pair for advice. That ACORN worker said she was playing along with the pair, purposely telling them outrageous things, a position ACORN quickly fed to the news media. The employee in San Diego says he contacted police about the pair.

Unsurprisingly, the top squirrels at ACORN went nuts when the videos surfaced, accusing O’Keefe and Giles of breaking the law and creating a false picture of the group. ACORN threatened to sue the pair and Fox News. “The portrayal is false and defamatory and an attempt at gotcha journalism,” a spokesman complained. Of course, it wasn’t false and defamatory, as ACORN’s Bertha Lewis was forced to admit: “As a result of the indefensible action of a handful of our employees, I am, in consultation with ACORN’s Executive Committee, immediately ordering a halt to any new intakes into ACORN’s service programs until completion of an independent review.” Scott Harshbarger, a former Attorney General for the Commonwealth of Massachusetts, will lead the investigation. As well, ACORN’s employees, Lewis said, will be retrained, and seven of the newly famous ACORN employees received the pink slip. Some may face criminal sanctions.

Despite the admission, ACORN has filed suit in Baltimore against O’Keefe and Giles, claiming the pair violated Maryland law by secretly videotaping its employees.



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## **The ACORN 8, The Fallout**

None of this surprises the ACORN 8. This group of former ACORN officials has tried and failed to bring some measure of accountability to the rogue radicals. As the group said in a prepared statement in mid-September, while ACORN officials in Baltimore fired two low-level office employees over the prostitution business, “senior staff members who assisted and concealed a million-dollar Rathke embezzlement remain employed.”

Unsurprisingly, the ACORN 8 hasn't found much of a hearing for its charges in the mainstream media, particularly the “paper of record,” as the *New York Times* bills itself. The old gray lady wasn't interested in the ACORN 8's charges. The group or someone in the group leaked an internal report about ACORN's questionable activities to a reporter at the paper, but editors killed an investigation after publishing a few stories because they would have embarrassed the paper's candidate for President, Barack Obama, and possibly derailed his campaign. ACORN pink-slipped two of the ACORN 8 directors in November 2008 after they demanded records relating to the embezzlement scheme and began making trouble for the group. Their dismissal, of course, also followed Obama's election.

Thus, the group of eight leftists now find themselves allied with BigGovernment.com and Republicans who want the group investigated. They even cite Issa's report to bolster their accusations about ACORN's brazen and rampant criminality. Like many observers, they believe the organization likely violated the Racketeer Influenced and Corrupt Organizations Act, or RICO, which was crafted to fight the Mafia. One official was “physically removed from the DC ACORN office for fighting for truth, transparency and accountability” there, the same place where workers, ironically, advised O'Keefe and Giles on running a brothel. “We've filed lawsuits, sought injunctions, called for a boycott and reported wrongdoers to the Justice Department” to no avail, the ACORN 8 says. Those filings included complaints to 15 FBI and U.S. District Attorneys that allege major felonies and possible RICO violations. Issa's report, they say, “supports ACORN 8 allegations of wrongdoing and enterprise corruption; and presents compelling evidence that ACORN has evaded taxes, obstructed justice, engaged in racketeering, and created a conspiracy to defraud the United States.”

Though no one listened to the ACORN 8, the fallout from the videos was immediate. After the first three appeared at BigGovernment.com, official Washington reacted: The Census Bureau ended its relationship with the group, which was supposed to assist the agency's 2010 population count. Three days later, the U.S. Senate voted 83-7 to end funding for ACORN via the federal Housing and Urban Development Department. After the last video surfaced, the House passed a bill, 346-75, introduced by House Minority Leader John Boehner (R-Ohio) to end all federal funding. Only Democrats voted against the bill. Adding insult to injury, the Internal Revenue Service jettisoned ACORN as well. ACORN may no longer participate in the agency's volunteer tax assistance program.

Even the group's former attorney, President Obama, cut ACORN loose. White House spokesman Robert Gibbs called the videos “completely unacceptable,” saying he thinks it should be investigated, and then hilariously enough claimed Obama didn't know too much about the group: “Frankly, it's not really something I've followed closely,” Obama said. “I didn't even know that ACORN was getting a whole lot of federal money.”

That line is, of course, total nonsense, as Obama made clear in a speech about the group a few years ago, when he promised ACORN a “seat at the table” of his administration. He also helped train ACORN street organizers and represented the group in its lawsuit that forced Illinois to implement the federal “motor-voter” bill, which required states to offer voter registration to applicants for a driver's license, a



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license renewal, or social services.

Despite all this, even if ACORN is shuttered and its federal funds cut off, nothing may happen. Although House Speaker Nancy Pelosi (D-Calif.) has called for an investigation of the group, Senate Majority Leader Harry Reid (D-Nev.) has flatly vetoed even considering a probe because nothing will be allowed to distract attention from the President's plan to reform healthcare.

No matter. ACORN is ruined. Question is, will the scandals kill it? Don't bet on it.

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— Photo of ACORN member soliciting passerby: AP Images



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