

One Hypothesis about the Decline and Fall of ACORN

Fred Brooks



After 38 years of longevity (1970 to 2008), including huge growth over its last decade, in 2008 and 2009 the Association of Community Organizations for Reform Now (ACORN) was rocked by an embezzlement scandal and two controversies and declined precipitously. By the spring of 2010, all city and statewide ACORN operations had either disaffiliated from the national organization or collapsed altogether, and in November 2010 ACORN filed for bankruptcy. Because ACORN was widely considered the nation's largest and most powerful group organizing the poor, the organization's breathtakingly swift destruction warrants analysis. This commentary analyzes one hypothesis that might have contributed to ACORN's vulnerability to smear campaigns: the organization's long-time practice of combining direct action organizing with individual service provision.

THE IRONY OF ACORN'S RAPID DEMISE

In early 2008, by most empirical measures of organizing strength, ACORN appeared to be a strong and powerful community organization. Over the preceding 10 years, ACORN had been instrumental in numerous campaigns and victories on a wide range of issues such as winning living wage ordinances (Luce, 2009), increasing the minimum wage (Atlas & Dreier, 2006), fighting predatory lending practices of major financial institutions (Hurd, Donner, & Phillips, 2004), winning a guarantee of affordable housing in the Brooklyn Atlantic Yards mega-development (Atlas, 2009) among dozens of other neighborhood, statewide and national victories. ACORN Housing was helping over 6,000 moderate-income families per year purchase their first homes. In 2008 ACORN Service Centers filed income taxes at no charge for over 50,000 people, resulting in over \$65 million dollars

in Earned Income Tax Credit/Child Tax Credit returns to low-income families (Rathke, 2009). ACORN was considered the only community organization in the United States that had the ability to coordinate campaigns from the neighborhood to cities and states, all the way up to national policies and corporate campaigns (Dreier, 2009). An independent study by Rangelhelli (2006) of the National Center for Responsible Philanthropy, using conservative assumptions, estimated that ACORN campaign victories and services over the 10-year period between 1995 and 2004 resulted in over \$15 billion of direct economic development for low- and moderate-income families. According to ACORN's former Chief Organizer Wade Rathke (2009), by 2005 ACORN's combined operations (organizing, housing and tax preparation services, research, and voter registration) employed over 1,000 people, in 85 offices; serviced 400,000 dues-paying members; and raised and spent around \$100 million dollars a year.

It is beyond the scope of this commentary to analyze all the factors that contributed to ACORN's demise, but from spring 2008 to fall 2009 ACORN was rocked by three separate scandals or controversies that resulted in a public relations disaster for the organization. Most foundations decided to stop funding the organization, and dozens of government bodies (city, state, national) voted to stop funding any ACORN-affiliated organization. Although ACORN fired staff and made numerous internal reforms, it was unable to win the public relations battle in both the mainstream and right-wing media. Because two of these issues (an internal embezzlement of almost \$1 million and controversies around voter registration drives) have already been analyzed (see Atlas, 2010), this commentary briefly describes and analyzes one aspect of the final controversy that ACORN encountered, the videotape smear campaign conducted by Hannah Giles and James

O’Keefe. This analysis addresses this question: Did ACORN’s organizing model of combining direct action organizing with service provision make it more vulnerable to smear campaigns? Because O’Keefe has recently institutionalized his model of “citizen journalism,” other progressive organizations should try to learn from ACORN’s demise to avoid a similar fate.

GILES-O’KEEFE VIDEO STING OPERATION

In September 2009 right-wing activist Andrew Breitbart’s Web site BigGovernment.com debuted with a series of videos recorded covertly by James O’Keefe and Hannah Giles. The highly edited videos made it appear that ACORN employees were giving a prostitute and a pimp nefarious advice about filing income taxes and obtaining a mortgage to run a house of prostitution employing underage illegal immigrants. The videos were recorded surreptitiously by O’Keefe and Giles during multiple visits to eight different ACORN offices during the summer of 2009. Although the edited videos debuted on BigGovernment.com and YouTube, within a day, Fox News was endlessly playing them and giving O’Keefe and Giles hour-long feature interviews. The entire right-wing media and social media echo chamber had a feeding frenzy and within days the political, financial, and public relations fallout for ACORN was fierce. Before anyone could launch an investigation into the veracity of the tapes, ACORN was reeling. Within a week the U.S. Congress and Senate voted to defund ACORN and any of ACORN’s affiliated organizations; the U.S. Census Bureau and the IRS ended partnerships with ACORN. City and state governments in almost every state in which ACORN operated either voted to defund ACORN (even when ACORN was not receiving any state money—for example, Georgia) or launched investigations by attorneys general into alleged crimes committed by ACORN. Money from foundations and corporate partnerships (which by 2008 was in the tens of millions of dollars) dried up. By spring 2010, the combined impact of these events caused most of ACORN’s state and local operations to either disaffiliate from ACORN or to collapse altogether.

POTENTIAL PITFALLS OF COMBINING DIRECT ACTION ORGANIZING AND SERVICES

Forty-five years ago—writing in this journal—Frances Fox Piven (1966) warned community

organizations of the potential problems of attempting to combine direct action organizing with service provision. Piven’s concerns included mission drift, losing a mass base, staff and management becoming overwhelmed with providing services, and direct action organizations becoming less militant because it is always easier to find money for services than for direct action organizing. In multiple editions of their classic text *Organizing for Social Change*, Bobo, Kendall, and Max (2001) argued the same position as Piven for many of the same reasons. They claimed they had rarely seen empirical evidence that an organization can maintain a militant grassroots organizing mission while simultaneously providing direct services. Money for services often comes from the government (as in ACORN Housing getting yearly grants from the U.S. Housing and Urban Development office to provide mortgage counseling); whereas government’s prohibit spending on overtly political organizing such as ACORN’s.

For much of the past 25 years, ACORN attempted to do both direct action organizing and provide services and appeared to be successfully balancing the tension between the two. Six years ago—in this journal—I argued that since ACORN typically created new corporations, had separate management and fundraising streams, and sometimes used the service provision to recruit new members, the organization seemed successful at both organizing and providing services. The evidence at the time suggested that services and organizing were mutually beneficial to each other (Brooks, 2005).

None of these scholars analyzed another aspect of providing services: Because services are open to the public, these operations are more vulnerable to sting operations or smear campaigns from opponents than are community organizing operations. One aspect of the videotape smear campaign that has not been analyzed is the divisions of ACORN that Giles and O’Keefe apparently videotaped were not organizing operations but were the affiliated operations ACORN Housing and Tax Service Centers. These services were legally and managerially distinct from ACORN’s organizing operations. Although sometimes the service operations shared office space with organizing, often they did not. When Giles and O’Keefe first visited the Los Angeles ACORN office asking about mortgage counseling, they were referred to ACORN Housing,

whose offices were several blocks away (California Attorney General, 2010). The service operations were much more susceptible to a sting operation because they were storefront operations open to the public. The Service Centers provided free income tax filing and screening for other benefits. These centers were affiliated with the Internal Revenue Service (IRS) (who provided the software and tax preparation training), and the original pilot projects were empirically evaluated and were considered high performing, efficient operations (see Brooks, Russell, & Fisher, 2006).

ACORN Housing was another affiliated operation with a separate budget, management stream, and articles of incorporation. ACORN Housing provided mortgage application screening and first-time home buyer counseling for low- and moderate-income families. ACORN Housing operations tended to perform well, and many of ACORN Housing's financial partners, such as Citigroup, Bank of America, and J.P. Morgan Chase, appeared to like the service ACORN was providing as evidenced by their renewing agreements with ACORN, featuring ACORN on their Web sites, and admitting that these financial products were profitable for their bottom lines (personal communication with Mike Shea, director of ACORN Housing, April 26, 2006).

All media accounts of the O'Keefe-Giles sting operation that I have read do not distinguish between ACORN organizing employees and ACORN Housing or Service Center employees. Because the advice O'Keefe and Giles were seeking was either about filing taxes or housing, it is safe to assume that the individuals who gave interviews to O'Keefe and Giles were not community organizers but were ACORN Housing or Service Center employees. Because Giles and O'Keefe seemed committed to bringing down ACORN at all costs, a huge question remains: If ACORN had heeded Piven's 1966 warning about the pitfalls of trying to organize and provide services, would ACORN be alive today?

CONCLUSION

This commentary raises more questions than it answers. Multiple ironies abound in ACORN's complex model of organizing. One of the biggest ironies highlighted by this commentary and a major factor instrumental to ACORN's growth and success—providing individual services—also made the organization more vulnerable to smear cam-

paigns. The strengths and weaknesses of ACORN's organizing model need to be analyzed in light of how strong it appeared to be from the outside (to both supporters and opponents of ACORN's agenda) and how quickly it was destroyed through its own internal weaknesses and external attacks from ideological opponents of the organization.

One thing seems certain: Andrew Breitbart's Web site and James O'Keefe have institutionalized their brands of smear journalism and are continuing to organize campaigns to discredit organizations and people they disagree with (examples include Senator Mary Landrieu, civil rights activist Shirley Sherrod, Planned Parenthood, and National Public Radio, among others). More research is needed on O'Keefe's tactics and how to guard against falling prey to them. In April 2011 O'Keefe registered Project Veritas as a nonprofit organization with the IRS, with the goal of expanding his brand of "citizen journalism" (Times Topics, 2011).

Organizations that represent poor people or progressive causes should expect organizations like Project Veritas to attempt to smear them and should train their staffs to be cautious and wary of calls and visitors who may not represent who they claim to represent. Organizations that combine organizing for power with service provision should probably be extra cautious. **SW**

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