

Newsweek

ACORN Accusations

McCain makes exaggerated claims of "voter fraud." Obama soft-pedals his connections.

Jess Henig

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Summary

The McCain-Palin campaign accuses ACORN, a community activist group that operates nationwide, of perpetrating "massive voter fraud." It says Obama has "long and deep" ties to the group. We find both claims to be exaggerated. But we also find Obama has understated the extent of his work with the group.

Neither ACORN nor its employees have been found guilty of, or even charged with, casting fraudulent votes. What a McCain-Palin Web ad calls "voter fraud" is actually voter registration fraud. Several ACORN canvassers have been found guilty of faking registration forms and others are being investigated. But the evidence that has surfaced so far shows they faked forms to get paid for work they didn't do, not to stuff ballot boxes.



Obama's path has intersected with ACORN on several occasions – more often than he allowed in the final debate.

Analysis

We've received scores of e-mails asking us about Obama's connection to the community activist group Association of Community Organizers for Reform Now, or ACORN. A McCain-Palin ad released on the Web accuses Obama of having ties to the organization, which it says engages in "intimidation tactics," "massive voter fraud" and "pressuring banks to issue risky loans."

Destroying Democracy?

The McCain ad accuses ACORN of "massive voter fraud." In the final presidential debate, John McCain added that ACORN "is now on the verge of maybe perpetrating one of the greatest frauds in voter history in this country, maybe destroying the fabric of democracy." Sounds scary, but is it true?

McCain-Palin Web Ad: "ACORN"

McCain: *I'm John McCain and I approve this message.*

Announcer: *Who is Barack Obama? A man with "a political baptism performed at warp speed." Vast ambition. After college, he moved to Chicago. Became a community organizer. There, Obama met Madeleine Talbot, part of the Chicago branch of ACORN. He was so impressive that he was asked to train the ACORN staff.*

What did ACORN in Chicago engage in? Bullying banks. Intimidation tactics. Disruption of business. ACORN forced banks to issue risky home loans. The same types of loans that caused the financial crisis we're in today.

No wonder Obama's campaign is trying to distance him from the group, saying, "Barack Obama Never Organized with ACORN." But Obama's ties to ACORN run long and deep. He taught classes for ACORN. They even endorsed him for President.

But now ACORN is in trouble.

Reporter: *There are at least 11 investigations across the country involving thousands of potentially fraudulent ACORN forms.*

Announcer: *Massive voter fraud. And the Obama campaign paid more than \$800,000 to an ACORN front for get out the vote efforts.*

Pressuring banks to issue risky loans. Nationwide voter fraud. Barack Obama. Bad judgment. Blind ambition. Too risky for America.

There's no evidence of any such democracy-destroying fraud. Here's what is true: In recent years, ACORN employees have been investigated multiple times for voter registration fraud. ACORN workers have been convicted of submitting false voter registration forms in Colorado Springs in 2005, Kansas City, Mo., in [2006](#) and King County, Wash., in 2007. ACORN's Las Vegas office was [raided by](#) a state criminal investigator on Oct. 7, 2008. ACORN workers are also the subjects of ongoing investigations in Wisconsin, Missouri, Ohio, Pennsylvania and Indiana. The Indiana investigation [started](#) in early October and may involve thousands of fraudulent registration forms.

On Oct. 16 The Associated Press quoted two "senior law enforcement" officials as saying that the [FBI is investigating](#) ACORN seeking "any evidence of a coordinated national scam." The following day the Obama campaign's lawyer, Robert Bauer, sent a [seven-page letter](#) to the attorney general claiming that federal law enforcement officials were being improperly used to help McCain by suppressing the vote through "unsupported, spurious allegations of vote fraud." He asked that the investigation be transferred to the special prosecutor investigating the U.S. attorney firing scandal. The McCain campaign [issued a statement](#) in which spokesman Ben Porritt called Bauer's letter "outrageous" and "absurd" and a "heavy handed tactic of attempting to criminalize political discourse."

But so far ACORN itself has not been officially charged with any fraud. Aside from the heated charges and counter-charges, no evidence has yet surfaced to show that the ACORN employees who submitted fraudulent registration forms intended to pave the way for illegal voting. Rather, they were trying to get paid by ACORN for doing no work. Dan Satterberg, the Republican prosecuting attorney in King County, Wash., where the largest ACORN case to date was prosecuted, said that the [indicted ACORN](#) employees were shirking responsibility, not plotting election fraud.

Satterberg: *[A] joint federal and state investigation has determined that this scheme was not intended to permit illegal voting.*

Instead, the defendants cheated their employer, the Association of Community Organizations for Reform Now (or ACORN), to get paid for work they did not actually perform. ACORN's lax oversight of their own voter registration drive permitted this to happen. ... It was hardly a sophisticated plan: The defendants simply realized that making up names was easier than actually canvassing the streets looking for unregistered voters. ...

[It] appears that the employees of ACORN were not performing the work that they were being paid for, and to some extent, ACORN is a victim of employee theft.

The \$8-an-hour employees were charged with providing false information on voter registration forms, and in one case with making a false statement to a public official. Five of the seven who were charged [pleaded guilty](#). ACORN was fined for exercising insufficient oversight, but it was not charged with masterminding any kind of deliberate fraud.

ACORN pays canvassers by the hour, not by the form, but it does ask them to meet certain registration goals. In ACORN's Las Vegas office, one employee who admitted to submitting fraudulent registrations said that she did so because she found ACORN's requirement of 20 registrations per day to be too steep to meet, according to an affidavit by a Nevada state criminal investigator. Local news reports at the time also said that some of the ACORN offices under investigation paid bonuses for each registration, or a higher hourly rate to those who brought in more applications. ACORN's deputy political director, Kevin Whelan, denies that this is ACORN policy.

What ACORN Says

In its defense, ACORN says that only a few of its 13,000 paid canvassers turned in any faked forms. "[T]here are always some people who want to get paid without really doing the job, or who aim to defraud their employer," the group said in an [Oct. 10 statement](#) on its Web site. "Any large department store will have some workers who shoplift."

ACORN also says it cannot simply discard suspicious forms on its own, but is required by law in most states to submit to local election officials all the forms its canvassers bring in. ACORN's Whelan told us that its own legal counsel strongly advises that the group do the same in states that don't explicitly require it, because "only election officials are legally able to determine the validity of a voter registration application." But ACORN says that it first flags all suspicious registrations. Staffers call the phone numbers written on completed registration forms to make sure they're valid and also take note of incomplete or duplicate forms. The group says that it alerts election officials to forms that look fishy when it sends them in.

However, it's not clear whether or not those procedures were followed in Nevada prior to a [highly publicized raid](#) by state officials on Oct. 7. According to an affidavit by Colin Hayes, a criminal investigator for the secretary of state's office, a probe began July 2 after the county registrar reported receiving a number of suspicious registration forms from ACORN. Hayes did not state whether or not those suspicious forms had been flagged by ACORN before being turned in. Later, during a July 18 meeting, ACORN's lawyer told local and state officials that the group had identified a number of suspicious registrations and "would be willing to provide such information" for further investigation. On Aug. 7, at the request of the county registrar, ACORN supplied copies of documents related to 33 ACORN workers who had been fired for "suspicious" voter registration activities.

Investigator Hayes followed up, confirmed that many registrations were faked, and found a former ACORN worker who confessed to faking most of her forms. After obtaining a warrant based on the affidavit, state officials seized records and computers. Secretary of State Ross Miller was quoted as saying the faked forms included names from the starting lineup of the Dallas Cowboys.

While ACORN says that such raids are part of "a systematic partisan agenda of voter suppression," it is worth noting that in this case, Secretary of State Miller is a Democrat.

Whelan told us that ACORN's national management staff trains local directors and travels extensively to supervise offices, but the 2007 Washington state prosecution makes it clear that quality control is lacking in at least some outposts. Prosecutor Satterberg wrote: "We believe that ACORN's internal quality control procedures were not just deficient but entirely non-existent when it came to the latter stages of their operation in Tacoma." He fined the group \$25,000 for failing to exercise sufficient oversight.

How Common Is Fraud?

Election fraud does exist, but hasn't been shown to be widespread. The New York Times reported in 2007 that a five-year crackdown on such fraud by the Bush administration's Justice Department had produced 70 convictions at the federal level, including 40 campaign workers or government workers convicted of vote-buying, intimidation or ballot forgery, and 23 cases of multiple voting or voting by ineligible voters. But the Times described these as unconnected incidents and said the Justice Department had turned up no evidence of "any organized effort to skew federal elections."

Bush administration officials have pushed hard to find such evidence, too hard in one case, according to an investigation by the Department of Justice's internal watchdogs, the Office of the Inspector General (OIG) and Office of Professional Responsibility (OPR). Their report into the firing of nine United States attorneys concluded that the "real reason" for the firing of New Mexico's U.S. Attorney David Iglesias was "complaints about Iglesias's handling of voter fraud and public corruption matters." The complaints included gripes by state Republican Party officials who believed that widespread fraud by Democrats had prevented George Bush from winning the state in the 2000 presidential election. Iglesias launched a task force that worked with the FBI but found that "there was insufficient evidence in any of the cases the Task Force reviewed to support criminal prosecution by the [U.S. Attorney's Office] or state authorities," according to the report of the OIG and OPR. These included cases involving ACORN workers. Republicans charged that Iglesias was showing insufficient rigor in prosecuting the cases.

ACORN and the Housing Crisis

The McCain ad says that ACORN in Chicago engaged in "bullying banks. Intimidation tactics. Disruption of business" and "forced banks to issue risky home loans." In support of these statements, the McCain campaign cites conservative opinion pieces, including [a column by Mona Charen](#) posted by the National Review Online, titled "Guilty Party: ACORN, Obama and the Mortgage Mess."

It is true that ACORN has led demonstrations on a number of issues nationwide—predatory lending, immigration reform, neighborhood violence, utilities shut-offs, minimum wage increases. Sometimes the group's tactics are confrontational, veering into civil disobedience. For instance, in the late 1980s, ACORN activists in a number of cities, including Chicago, seized abandoned houses and encouraged "squatting" by homeless people, in an attempt to force local governments to salvage abandoned properties and convert them into low-income housing. The targets of ACORN's protests sometimes describe the activists as intractable or even aggressive. Other ACORN protests are less confrontational; Sen. McCain himself spoke at an ACORN rally on illegal immigration in 2006.

It stretches the facts, however, to say that ACORN "forced" banks to make risky loans, though it has certainly applied pressure on banks to make loans to minority and low-income borrowers. ACORN also has worked directly with banks in a joint effort to increase such lending. In Chicago these efforts date back at least to 1992, after a report by the [Federal Reserve Bank of Boston](#) showed that minorities in that city were two to three times as likely to be denied mortgage loans as white applicants, and that high-income minorities were more likely to be turned down than low-income whites. Chicago ACORN then started a mortgage assistance program, in cooperation with five local banks, to help minority and low-income borrowers get mortgage loans.

The mortgages that ACORN worked out with the banks did have lower underwriting standards than were customary. They allowed a higher percentage of a family's income to go to debt repayment, and counted rent and utility payments, not just credit card payments, as evidence of ability to pay back a loan. The loans were also more forgiving of past credit problems, as long as the recipient was making a proven effort to address them. But ACORN provided loan deals only to people who went through counseling on budget and credit issues. In 1992, First Nationwide Bank Vice President Neal Halleran told the Chicago Tribune: "Transaction by transaction, [loans from the ACORN program] would appear to be performing no worse than our portfolio overall." According to the Tribune, First Nationwide had contacted ACORN to initiate the lending program.

Obama: Burying ACORNs

The ad says that "Obama's ties to ACORN run long and deep" – that he "taught classes" for the group, paid a "front" \$800,000 for get-out-the-vote efforts, and was endorsed by ACORN for president. That last one's true – [ACORN's political action](#) committee did offer an Obama endorsement. It's also true that Obama has worked with the group in the past. In 1995, Obama helped [represent](#) ACORN in a successful lawsuit to require the state of Illinois to offer "motor voter" registration at DMV offices. Obama has [said](#) that this is his only association with ACORN, but that's not the case – he has had other, though less direct, interactions with the organization. After law school, Obama directed a Chicago registration drive for Project Vote, which works closely with ACORN. And when Obama was on the board of directors of the [Woods Fund](#), the foundation gave grants of \$75,000 in 2001 and \$70,000 in 2002 to ACORN's Chicago office. The McCain campaign and the Republican National Committee cite an additional grant of \$45,000 in 2000. The Woods Fund has not responded to our calls about their 2000 grants.

The Obama campaign also paid Citizens Services Inc., a group affiliated with ACORN, more than

\$800,000 for get-out-the-vote (not voter registration) efforts during the primary election. The nature of CSI's services was initially misrepresented on the Obama campaign's disclosures to the Federal Election Commission, which the campaign describes as an oversight. The Obama campaign says it has not been involved with ACORN during the general election.

As for "teaching classes" for the group, the McCain campaign cites a March 2008 *Newsday* article, which says that ACORN organizer Madeleine Talbot "initially considered Obama a competitor" when both were working to get asbestos insulation removed from a Chicago housing project, but that "she became so impressed with his work that she invited him to help train her staff." *Newsday* does not say whether Obama accepted the invitation. An article by Chicago alderman Toni Foulkes says that "we [ACORN] have invited Obama to our leadership training sessions to run the session on power every year" between 1992 and 2004, when the article was written. The Obama campaign says that Obama participated in two, one-hour trainings in a volunteer capacity. Foulkes could not be reached for comment.

Neither ACORN's Chicago office nor CSI has been accused of voter registration irregularities.

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with Ronald Lampard

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