

ONE HUNDRED ELEVENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143

Majority (202) 225-5051
Minority (202) 225-5074

September 23, 2009

The Honorable Edolphus Towns
Chairman
Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Towns,

I write to express concern regarding the activities of the Association of Community Organizations for Reform Now (“ACORN”) and the organization’s receipt of federal funds. To date, ACORN has received \$53 million of taxpayer money. Since the release of videotapes depicting ACORN employees engaging in inexcusable conduct, a number of states and localities have called for investigations into ACORN’s management of taxpayer dollars – adding to the list of already existing indictments related to activities by ACORN employees and volunteers during last fall’s election.¹

In July, the minority staff of the Committee issued an 88-page report detailing a long list of ACORN’s corruption: ranging from embezzlement, to commingling federal funds with personal funds, to filing fraudulent forms with several federal administrative agencies. In April of this year, Chairman John Conyers of the Judiciary Committee signaled the need for his Committee to conduct a hearing on ACORN, yet no such hearing occurred.

On September 15, 2009, I joined with Representative Boehner and 114 other Members to introduce the “Defund ACORN Act” (H.R. 3571) to stop, once and for all, federal funding to ACORN and its affiliates. Just two days later, the overwhelming majority of Congressional representatives, Democrats and Republicans, supported my Motion to Recommit for H.R. 3221, thus denying all federal funding for ACORN.

¹ Steve Friess, *Acorn Charged in Voter Registration Fraud Case in Nevada*, NEW YORK TIMES, May 5, 2009.

In a televised interview of ACORN's CEO Bertha Lewis and myself, I expressed the need for full disclosure and transparency for ACORN and its various affiliates. During the interview, I stated:

[W]e have literally hundreds of organizations tied under the ACORN umbrella, and you can't even find out what their incorporation is, whether they pay taxes, who makes what or, more importantly, whether corporations within the affiliates work in different areas – political fundraising, getting candidates elected, voter registration, other community activities, whether or not those moneys are fungibly moved illegally.²

Ms. Lewis claimed ACORN has placed firewalls between itself and its various affiliates. However, Ms. Lewis failed to respond when I pointed out that ACORN's legal counsel, Elizabeth Kingsley, advised the organization that such firewalls did not exist. On September 16, 2009, Ms. Lewis announced on the ACORN website:

[We will name] an independent auditor and investigator to conduct a thorough review of all of the organization's relevant system and processes. That reviewer, to be named within 48 hours, will make recommendations directly to me and to the full ACORN Board.³

More than 148 hours later, ACORN announced Scott Harshbarger as its independent auditor.⁴ Ms. Lewis has also expressed her willingness to appear at a congressional hearing, if convened.⁵

Mr. Harshbarger served as the President and CEO of Common Cause in Washington, D.C., a national non-profit citizen's lobby and government watchdog group, from 1999 to 2002.⁶ In May of this year, Common Cause attended a strategy session at the Center for American Progress in Washington, D.C. to "discuss how to respond to a growing barrage of damaging news reports and editorial criticism of the Association of Community Organizers for Reform Now."⁷

² Transcript, FOX NEWS, Sept. 20, 2009, *available at*:

<http://www.foxnews.com/story/0,2933,552841,00.html> (last visited Sept. 21, 2009).

³ Statements of Bertha Lewis, ACORN WEBSITE, Sept. 16, 2009, *available at*: <http://www.acorn.org/> (follow "ACORN Announces Major Steps to Address Issues Raised by Videos" hyperlink).

⁴ ACORN WEBSITE, *available at*: <http://www.acorn.org/> (last visited Sept. 22, 2009).

⁵ Rick Klein, *ACORN Chief Will Make Internal Report Public, Would Testify Before Congress*, ABC NEWS, Sept. 22, 2009, *available at*: <http://blogs.abcnews.com/thenote/2009/09/acorn-chief-will-make-internal-report-public-would-testify-before-congress.html> (last visited Sept. 22, 2009).

⁶ Scott Harshbarger firm profile, PROSKAUER ROSE LLP, *available at*: http://www.proskauer.com/lawyers_at_proskauer/atty_data/7476.

⁷ Kevin Mooney, *ACORN allies converge in the midst of financial allegations*, WASH. EXAMINER, May 27, 2009, *available at*: <http://www.washingtonexaminer.com/opinion/blogs/Examiner-Opinion-Zone/ACORN-allies-converge-in-the-midst-of-financial-allegations--46275132.html> (last visited Sept. 22, 2009).

Self-investigation is not a sufficient substitute for action by the Congress and Scott Harshbarger's connection to ACORN is hardly independent.⁸ As I stated in my interview, "my opinion continues to be [ACORN] shouldn't get another penny of federal dollars until [they] demonstrate that those dollars are firewalled for only that use, and that has not been the history of the organization."⁹

Given the corruption uncovered concerning ACORN and its use of federal funds, I request that the Committee immediately convene a hearing on ACORN that includes key ACORN officials such as ACORN CEO Bertha Lewis, Wade Rathke (ACORN founder) and Dale Rathke, Elizabeth Kingsley (Counsel to ACORN), and Steve Bachmann (CCI General Counsel), among others.

Sincerely,



Rep. Darrell Issa
Ranking Member

⁸ Steptoe Johnson's Suzanne Ross McDowell, Foley & Lardner's Richard Riley Jr., and Gibson Dunn's John F. Olson are non-profit compliance experts who have never been employed by an ACORN partner organization.

⁹ *Supra* note 2.