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Founded 1974

*Restore the Republic by Limiting the Federal Government to its Delegated, Enumerated Constitutional Functions
and Returning American Jurisprudence to its Biblical Common Law Foundations*

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THE ACORN FILES CORAP: "Community Organization Research Action Project"

The Conservative Caucus Research, Analysis and Educational Foundation maintains extensive research files compiled over decades on many left wing activist organizations which receive taxpayer funding.

The Foundation today makes available today to researchers, journalists and the public a rare copy of a House Appropriations Committee investigation report circa 1978 regarding ACORN and it's affiliated group, the Community Organization Research Action Project (CORAP).

The Conservative Caucus, Inc. (TCC) has for 35 years worked to defund such radical organizations from receiving taxpayer funding, and invites your support to assist our lobbying campaigns to fully defund ACORN and related organizations. TCC's Chairman, Howard Phillips, was the only person to ever defund ACORN--in 1973 when he was the Director of the Office on Economic Opportunity.

We invite you to visit The Conservative Caucus on the web at www.ConservativeUSA.org and to donate at www.ConservativeUSA.org/Donate

Researchers and journalists wishing access to the Foundation's archives may contact the Conservative Caucus Foundation at 703-281-6782 or info@conservativeusa.org. Mr. Phillips is available for expert interviews on this topic.

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The Conservative Caucus
Research, Analysis & Education
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Adore

CORAP Community Organization Research Action Project

Derived directly from the activist Association of
Community Organizations for Reform Now (ACORN).
Organizes community activism.

Involved in labor union organizing.

Received \$347,616 in ACTION grants from 9/77 through
12/78.

Received \$470,000 in VISTA grants.

IX. COMMUNITY ORGANIZATION RESEARCH ACTION PROJECT

A. Background

The CORAP (Community Organization Research Action Project) grant was awarded on September 20, 1977, in the amount of \$470,475. It provided for the training of 100 VISTAs, of whom 80 were to be placed with the ACORN (Association of Community Organizations for Reform Now) field organization to work with low-income people on a broad scope of local issues in seven States (Arkansas, Texas, Missouri, Tennessee, Louisiana, Florida, and South Dakota).

CORAP was organized in July 1977 for the purpose of receiving and administering the VISTA grant funds. With the incorporation of CORAP, a financial separation from the parent ACORN organization was established. It is otherwise difficult to distinguish between the makeup and operation of the organizations. The officers of both the CORAP board and the ACORN board are the same individuals. The project supervisor and the project coordinator are paid under the grant for full-time employment, but both are also on the ACORN payroll. Training under the grant is provided by the Arkansas Institute for Social Justice (the Institute), another spinoff organization run by two former ACORN organizers.

ACORN was organized in Arkansas in the early 1970s. It was an offshoot of the National Welfare Rights Organization but aimed for a broader base including medium- as well as low-income people. ACORN operations are community based. The job of the local organizer (the job to which VISTAs are assigned) is to set up and work with neighborhood groups and to provide guidance but let them decide their own issues and strategies. "Doorknocking" is the main device used to build membership. At the neighborhood level, issues tend to be parochial, such as a new street light, a stop sign for a pedestrian crossing, or clearing away an abandoned house.

At the same time, ACORN operates at the regional and national levels. The chairperson of each ACORN neighborhood group sits on the regional board, which sets policy and programming priorities within the State. Each regional board, in turn, designates two members to sit on the ACORN executive board. The executive board meets once a year and is the policy-setting and decisionmaking body for the entire organization. At the regional and ACORN executive board levels, the broader issues and strategies are developed for the overall guidance of the membership. Among the main issues of current interest to ACORN are public utility rates and the repeal of an Arkansas sales tax on food and medicines.

ACORN now operates in 13 States and claims some 16,000 dues-paying members. ACORN "family" dues are \$16 a year. Total ACORN receipts in 1977 were given as \$307,717, of which \$74,600.49 was derived from membership dues. Expenditures in the same year totaled \$331,908, for a deficit of some \$25,000. The salary range for ACORN staff was given as from \$3,200 to \$10,000 a year. ACORN claimed to have a staff (excluding VISTAs) of some 90 employees.

The above data represents the sum total of all information that ACORN would give the Investigative Staff on the membership, staffing, and financial condition of the organization. ACORN refused to provide any records to substantiate the data.

In the opinion of the Investigative Staff, the refusal of ACORN to let its records be examined represents a deliberate effort to conceal evidence of an organization with serious financial problems and needing the VISTA grant to keep afloat. In the words of ACORN's own official organ, USA (United States of ACORN), in reporting on the Executive Board's consideration of the VISTA grant at its October 15, 1977, meeting, the discussion " * * * led into a discussion of ACORN's policy of taking money from the federal government. In the past ACORN has avoided being this close to federal funds, but our financial situation is such that we can no longer afford to be as distant--unless we are willing to see the organization risk death." Apart from ACORN's own acknowledgment of its tenuous financial condition, the Investigative Staff noted that in the States visited where VISTAs were working, ACORN had no more than 1 or 2 staff organizers assigned as compared with a total of 32 VISTAs. It might also be noted ACORN had at least 16 organizers who were immediately converted to the VISTA payroll upon approval of the grant. In the absence of documentation to the contrary, the Investigative Staff can only conclude that the information provided by ACORN on the size of its staff is exaggerated and that, in fact, VISTAs supported by the grant probably comprise the majority of the overall organization.

B. Findings

1. VISTAs Not Working With Poor People

Concern about not reaching a poverty constituency was expressed by several ACTION State directors in commenting on the CORAP grant. Based on observations of the Investigative Staff, the comments of several VISTAs, and ACORN's stated objectives, the Investigative Staff believes experience has proven the concern to be justified.

A fundamental concept of ACORN philosophy which the organization takes pride in having preserved is the idea of a "majority constituency." A majority constituency, as defined by ACORN, consists not only of poor people but all the people who are shut out of power or, more specifically, "low to moderate income" families. In ACORN's own words:

"It is that majority that is going to have to be organized if there is any hope for changing--for reversing--the prevailing distribution of power."

Unless ACORN has changed this philosophy, the Investigative Staff has difficulty accepting assurances that VISTAs-assigned to the organization will be working mainly with poor people; that is, families with incomes falling below the Community Services Administration's poverty income guidelines.

In two of the three cities where the Investigative Staff made site visits (Little Rock, Arkansas, and Sioux Falls, South Dakota), the neighborhoods ranged in appearance from low to middle income. (The neighborhood in the third city--Hot Springs, Arkansas--appeared to meet the criteria as low income.) Similarly, the ACORN members to whom the Investigative Staff spoke, and their houses and surroundings, reflected, in the Investigative Staff's judgment, neither poverty nor affluence, but low to moderate incomes. Admittedly, this evaluation is subjective, but, to the extent it was discussed with ACORN staff also visiting the neighborhoods, it was not disputed.

The reaction of the VISTAs was likewise subjective (few were even aware of the poverty income guidelines) but sufficiently questioning as to cast doubt on the kinds of neighborhoods in which they were working. At least two VISTAs characterized the six communities in which they were working as more middle-class than poor. One of these volunteers even expressed some remorse about not directing her effort more toward helping poor people as she had expected to do. Coincidentally, these volunteers were the only two VISTAs interviewed without the inhibiting presence of an ACORN staff member in attendance.

2. No Evidence of Community Takeover

One of the primary thrusts of ACTION's "new directions" is a change in emphasis from "direct services" to "mobilizing resources." The objective is the creation of self-reliant communities by developing within the neighborhood group a capability for continuing the activities and services provided by the group even after VISTA resources are no longer available.

The Investigative Staff sees no evidence of such self-sufficiency developing in the ACORN neighborhood organizations to which VISTAs are assigned. Quite to the contrary, the main organizational effort of a number of VISTAs appeared to be directed toward holding groups together or building memberships back up. It is difficult to give credibility to an organization that purports to represent the neighborhood but can only get six or seven people to attend a meeting.

Almost all of the VISTAs interviewed acknowledged the impracticability of the goal of community takeover. It is their commonly shared opinion that a neighborhood community organization cannot succeed without the presence of a full-time organizer. The members have the skills but seldom the time, the equipment, the facilities, the motivations, or the interest to keep the organization going. A staff person, that is, a paid organizer, will always be necessary to keep the group going.

ACORN, itself, acknowledges the continuing need for an organizer to keep the community group together and give it direction in its "community organizing model," a handbook which is the so-called "bible" for ACORN training. The handbook spells out the ongoing role of the organizer and describes it as a "critical process" in the continuing activities of the group.

The implication of this finding is that extension of the CORAP grant will require a long-term and open-ended commitment to provide money and volunteers. It is a commitment likely to be satisfied only if ACORN attains its implicit goal of becoming a mass populist movement and no longer requires Federal money for its support.

3. VISTAs Involved in Proscribed Activities

Section 403 of the Domestic Volunteer Service Act imposes restrictions on the use of funds appropriated under the act for political purposes and in the involvement of volunteers in political activities. The VISTA Volunteer Handbook elaborates on these restrictions to include nonpartisan politics and further prohibits VISTAs from lobbying activities, including "routine" involvement in attempts to influence legislation or governmental actions with respect to particular issues.

In May of this year, in connection with the Arkansas primary election, at least one VISTA (possibly more) was instructed by his ACORN supervisor to participate in a mailing of a slate of endorsements to ACORN members, develop and reproduce a flyer endorsing candidates to State and local office for distribution at neighborhood meetings, cover the

~~polls and pass out a slate of ACORN endorsements, and distribute endorsed candidates literature to members.~~

The VISTA who was asked to do these chores was justifiably concerned about their political implications and, in effect, refused to get involved beyond getting flyers endorsing ACORN candidates from the ACORN Little Rock office, where they were presumably developed and run off by other staff personnel, to his neighborhood group leaders for further distribution.

Also, in Arkansas, the Investigative Staff interviewed a VISTA who had been involved in scheduling appointments for the local ACORN Political Action Committee (APAC) to interview candidates running for office. APAC is the political arm of ACORN. In the St. Louis area, VISTAs were interviewed who had been routinely engaged in taking ACORN groups to the State capital (Jefferson City, Missouri) to meet legislators and lobby for particular bills.

ACORN's insensitivity to constructive criticism and possible intent to sidestep potentially restrictive guidelines and laws are suggested by the timing of these incidents. If the incidents had occurred during the first several months after the grant was approved, the poor judgment shown by ACORN might have been attributed to ignorance or misunderstanding about the VISTA role. This was not the case, however. The assignments were all made several months later, well after ACTION's own Office of Compliance had completed an audit of ACORN which emphasized that volunteers were under no circumstances to get involved in the political process.

Section 404 of the Domestic Volunteer Service Act prohibits VISTAs from engaging in labor organizing activities and imposes restrictions on funds appropriated under the act from being used "directly or indirectly" for such purposes. ACORN is involved in labor organizing. At its October 1977 meeting, the executive board unanimously endorsed a motion giving the ACORN chief organizer the authority and responsibility to organize the household workers in New Orleans and other unions along the same lines. The ULO (United Labor Organizations), which was described as a "separate entity" that ACORN "is helping to get started," shares space in the same building as ACORN in New Orleans. The sign in front of the building says "ACORN" on one side and "ULO" on the other. The HWOC (Household Workers Organizing Committee), also located in the same building, was said to be a ULO "subsidiary organization." It was stated that ACORN rents the building and that both ULO and HWOC rent space from ACORN, but the Investigative Staff was unable to verify this arrangement without access to ACORN's accounting records.

Five VISTAs were actively working with the HWOC, reporting directly to the chief organizer, until late this past spring when the ACTION Office of Compliance directed that the assignments be terminated. There is as yet, however, very much of an indirect involvement of VISTAs and the use of grant money in the labor organizing activity of ACORN. First, ACORN has only limited staff resources (payroll data not made available to the Investigative Staff). Without the VISTAs to take over neighborhood organizing chores, it is doubtful whether the manpower would be available to mount a credible union organizing effort. Thus, the availability of VISTAs is facilitating (if not making practicable) the ACORN move into labor organizing. Second, there are no safeguards, of which the Investigative Staff is aware, to prevent membership dues solicited by VISTAs from being used for labor organizing. The dues are used to cover all expenses of the organization, and these expenses would include, for example, the salary of the chief organizer, who, reportedly, has made himself responsible for the household workers organizing project. The Investigative Staff believes the collection of dues, by VISTAs, which go in any part to support this kind of activity is in violation of Section 404 of the Domestic Volunteer Service Act.

4. Accounting

The Investigative Staff reviewed the accounting system and the incurred costs for the CORAP grant through May 31, 1978, and found some transactions that should have been approved by ACTION prior to expending the funds. Also, inadequate accounting for subcontractor expenses and for ACORN contributions to the grant existed.

The budget plan for the grant provides salaries of \$5,200 a year for both the project supervisor and the project coordinator. They have actually been paid at the rates of \$5,700 and \$4,000 a year, respectively, since the beginning of the grant. Neither change was approved by ACTION. Similarly, a travel expense of \$684 was incurred for a supervisors' conference in New Orleans for which there was no evidence of ACTION approval.

The main subcontractor under the grant is the aforementioned Institute. The amount of the subcontract with the Institute is \$41,712, estimated on the basis of a daily rate per volunteer for up to 12 days of preservice and inservice training plus the cost of training materials. Actual expenses for 1978 through the end of May were:

Preservice training-----\$6,240
 Inservice training----- 6,016
 Training materials----- 1,300

Payment to the Institute is made on the basis of a billing whenever training is accomplished. A typical billing read: "2 days @ \$32.00 per day X 12 volunteers equals \$768.00." There was no substantiation for the \$32 or any indication of how the cost was derived other than that it represented the estimated cost of training in the budget plan. Actual costs were not known. ACORN claims that ACTION does not require the subcontractor to submit billings on the basis of actual costs. If so, the policy is contrary to good business and accounting practice and should be changed. ACTION should also consider taking a closer look at what it is paying for in the way of training materials. Based on the Investigative Staff's review of the handouts provided for volunteers at the June 15th preservice training session, the \$25-per-volunteer charge for the materials would appear to be grossly excessive.

The project narrative for the CORAP grant provides for ACORN's (and affiliate organizations') making certain contributions to the grant, as follows:

<u>Resource</u>	<u>Source</u>	<u>Dollar Value</u>
Legal Services	Bachmann & Weltchek	\$ 20,000
Supervision	ACORN	20,000
Training	Institute	30,000
Supplies	ACORN	59,800
Research	Institute	10,000
Office Accommodations	ACORN	16,800
Publications	ACORN	<u>8,400</u>
Total -----		\$165,000

Additionally, the need for an automobile was specified as a job requirement, and CORAP (ACORN) agreed to contribute up to \$18,000 for the purchase and maintenance of up to 40 cars at \$450 per car.

Upon investigation, it was found that the dollar figures provided by ACORN and affiliates were only estimates. There are no accounting records to substantiate the actual costs of services and supplies provided, nor, according to ACORN, does ACTION require any. It is difficult to understand what possible purpose it serves to include such information in the project narrative when there is no intent or requirement to back it up with expenditure data.

The commitment on the sponsor contribution for the purchase of automobiles will be further discussed in paragraph 6 below.

5. Monitoring Inadequate

The role of the ACTION State director in administering the national grants program is ill-defined. This problem, in combination with ACORN's predisposition to make its own rules for using VISTAs, has resulted in poor or nonexistent oversight of projects and improper assignment of volunteers.

Conditions in the project narrative clearly state that no volunteers will be assigned to duty in a State without the Governor's approval. Further, ACTION procedures require that the State director must be informed whenever a volunteer enters or exits a State. Yet, the Investigative Staff found that VISTAs from the St. Louis area had been asked to make weekend trips out of State to petition for a referendum on repeal of a sales tax on food and medicine in Arkansas, over 350 miles away.

The Investigative Staff also found that VISTAs are routinely assigned to work in neighborhoods other than those identified in the project narratives without obtaining approval from the State director or even notifying his office. As a result, State offices often have erroneous information or no current information on the VISTAs assigned in their areas and what they are doing.

6. Action on Office of Compliance Findings

Early this year, ACTION's Office of Compliance made an audit of the CORAP grant. The draft report was completed early in March, comments were solicited from the ACTION program office and from the grantee, major areas of difference between ACTION and CORAP representatives were discussed, and the final report was released on June 6, 1978. By letter dated August 1, 1978, CORAP advised ACTION of the measures being taken to implement the recommendations of the report. The major findings and recommendations fell into four areas, each of which is summarized below, with Investigative Staff comments as considered appropriate.

Training

The Office of Compliance found that materials used by the Institute were inappropriate for VISTA training. These materials include the Community Organizing Model and Community Organizing Handbook #2. Both publications contain inflammatory

language which can be interpreted as encouraging VISTAs to get involved in proscribed political activity.

The Office of Compliance recommended revision of the training materials to delete objectionable passages and imposed the requirement for clearing the revised materials (or any other publications used in the training of VISTAs) prior to their use. One preservice training session has been held since the audit. It was conducted in Little Rock, Arkansas, on June 15, 16, and 17, 1978. The Investigative Staff attended several of the class sessions on the first 3 days. Neither Handbook #2 nor the Organizing Model was in evidence during these sessions. Materials that were used had been revised and approved by an ACTION representative. The Investigative Staff found none of the material used to be objectionable.

The Investigative Staff was subsequently advised that no further action had been taken to revise the original and objectionable training materials, but, instead, the documents would no longer be used for VISTA training.

Political Activity

The ACORN Political Action Committee (APAC) is the political action arm of ACORN. The auditors found that VISTAs may be indirectly involved in politics through their dues-collecting activity since the dues are used, in part, to pay the salaries of ACORN staff who participate openly in APAC activities on behalf of candidates. The auditors also found (as did the Investigative Staff) that, for practical purposes, ACORN and APAC are one and the same organization.

The Office of Compliance recommended that a series of measures be taken to establish a meaningful organizational and financial separation of the political activity of APAC from ACORN.

As of August 1, 1978, APAC was established as a separate legal entity. ACTION has made no further review to establish whether APAC and ACORN are, in fact, no longer totally interrelated organizations.

Attrition

The auditors found the attrition rate for VISTAs assigned to CORAP to be high. During the first 6 months, 25 percent of the volunteers left VISTA altogether and another 25 percent were reassigned to other VISTA projects. Over a comparable period in 1976, only 12.1 percent of the traditional VISTAs quit the program altogether.

The Office of Compliance recommended an indepth study of the problems causing VISTAs to quit CORAP and also that ACTION work closely with CORAP in seeking possible solutions.

While no "indepth study" has been made, discussions between ACORN and ACTION representatives highlighted some of the difficulties, but subsequent developments obviated the need for any remedial actions.

Transportation

Section 105(b) of the Domestic Volunteer Service Act requires ACTION to provide a VISTA with the support needed to do his job, including transportation. The work of a CORAP organizer requires an automobile. As part of the grant arrangement, CORAP agreed in the project narrative to contribute up to \$18,000 to meet the statutory transportation requirements.

The Office of Compliance found that CORAP has not fulfilled its obligation to provide transportation, with the result that a number of volunteers had to go into debt to buy their own cars. Arrangements were made for the Institute to lend up to \$300, interest free, to each volunteer in need, for the purchase of an automobile. The loans are repayable at the rate of \$25 a month. An allowance of 7 cents per mile is provided to maintain the car. This plan for providing transportation has created financial hardship for a number of VISTAs.

The Office of Compliance recommended that CORAP be held to its commitment to contribute up to \$18,000 before any grant moneys be used to satisfy the statutory transportation requirement. This recommendation was strongly protested by the ACTION program staff and CORAP, both of which claimed that ACTION (rather than the grantee) was at fault for not having specified in its recruiting materials that the volunteers would need cars to do the work. The purpose of the \$18,000 contribution agreed to by the sponsor is not made clear in these comments.

When the Investigative Staff report was closed out, this issue was still largely unresolved. CORAP, after first proposing a budget revision to cut back the \$18,000 commitment to \$6,000 ("it has become clear that our estimate of \$18,000 is too optimistic"), claimed, 2 months later, to have spent already well over \$18,000 to meet the original requirement and asked ACTION for its "understanding that we have satisfied our commitment under this grant as it relates to transportation." The Investigative Staff was advised that ACTION did not propose agreeing to a settlement on such a basis.

7. National Grant Terminated

By letter dated September 20, 1978, CORAP advised ACTION that the organization did not intend to apply for a second year of funding under the national grants program. The Investigative Staff understands the main reason given for terminating the grant was adverse publicity.

CORAP, in turn, has been informed that the decision not to apply for renewal of the national grant will in no way prohibit or otherwise prejudice the organization from applying for VISTAs at the State office level through normal agency processes.