

ACORN Continues to Be Delinquent on Taxes

Agencies Now Owe IRS More Than \$1 Million

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The New Orleans-based national activist group ACORN has a habit of paying its federal payroll taxes months or even years late, even as the organization and its affiliates accept grants from the U.S. government.

ACORN and several closely related groups now owe more than \$1 million in state and federal taxes, according to Orleans Parish court filings analyzed by The Pelican Institute for Public Policy. They also paid off more than \$1.1 million in late bills since January of 2008.

The state attorney general's office has opened an investigation into ACORN, but it has not disclosed the specifics of their probe.

Overall, groups affiliated with the Associations of Community Organizations for Reform Now have 10 federal tax bills of \$1 million and four state tax bills of at least \$28,000.

One bill to ACORN itself is responsible for more than half that amount, at more than \$545,000 for tax obligations dating back to 2004.

Citizens Consulting, the accounting arm of ACORN, had a state bill of more than \$300,000 as recently as January of this year, though records indicate it has been paid. The organization had not paid withholding Louisiana taxes for many quarters since the fall of 2002.

From 2002 to 2006, ACORN agencies have received more than \$5.4 million in grants from the U.S. Department of Housing and Urban Development alone, according to a compilation of grants by the Washington Examiner news Web site.

The same agencies getting the grants weren't necessarily the one facing the tax bills from the same period. But critics, as well as an ACORN attorney, have said the confederation of corporations may lack the internal financial controls to ensure that money granted to one group isn't shared with another.

ACORN opponents and disaffected former board members have joined members of Congress in calling for an audit of the ACORN empire, which by some accounts has gotten more than \$53 million in federal money since 1989.

Some, but not all, of the scores of ACORN organizations are tax-exempt non-profits, but that does not excuse them from paying payroll taxes, both the employer's share and the amounts withheld from an employee's check.

The ACORN family was responsible for at least 75 tax-related filings since Jan. 1, 2008. Most are related to liens, or claims made by the government against a taxpayer's property and other holdings until the payment is satisfied.

ACORN officials did not reply to requests for comment.

Privacy laws prevent state revenue and IRS officials from discussing specific tax situations, and they referred general questions to their Web site. It says that liens are filed after a taxpayer fails to meet government demands for payments.

Likewise, the IRS files releases of the liens when the taxes, plus any penalties and interest, are paid.

Just under half of the ACORN-related filings in the past 20 months are releases of original liens, some stretching back years. But a greater number are for new liens.

The ACORN tax bill for more than \$545,000 was filed March 10, 2008. That was a busy month for the IRS regarding ACORN groups. Filings show Acorn Community Labor Organizing Center suffered a lien of \$306,000 and Citizens Consulting was slapped with a \$101,000 lien. Both agencies shared the same Elysian Fields address as ACORN headquarters.

In all, nearly \$1.2 million in federal liens were filed that month alone against ACORN-related groups; some have since been paid.

ACORN has most prominently been in the news for allegations of voter-registration fraud in as many as 12 states. Critics say ACORN and its related Project Vote, a nationwide voter registration drive, essentially ran a thinly veiled effort to push Democratic candidates and recruit new dues-paying ACORN members. ACORN workers in several states have been arrested in connection with voter-registration fraud, but the organization itself has not been charged with a crime.

An internal report by an ACORN attorney raised questions about whether the non-partisan, tax-exempt registration drive, which is not allowed to take part in politics, was kept separate from other allowable political activities by ACORN groups.

According to an October story in The New York Times, ACORN lawyer Elizabeth Kingsley "found that the tight relationship between Project Vote and Acorn made it impossible to document that Project Vote's money had been used in a strictly nonpartisan manner. Until the embezzlement scandal broke last summer, Project Vote's board was made up entirely of Acorn staff members and Acorn members. Ms. Kingsley's report raised concerns not only about a lack of documentation to demonstrate that no charitable money was used for political activities but also about which organization controlled strategic decisions."

Alternatively referred to by critics as “radical” and “mob-like” in its tactics, ACORN bills itself as the nation’s largest grassroots movement, with more than 400,000 members in 110 cities. Its Web site says its membership consists of “low- and moderate-income families, working together for social justice and stronger communities.”