

CCHD ends funding to ACORN over financial irregularities

WASHINGTON - The Catholic Campaign for Human Development suspended funding a nationwide community organizing group after it was disclosed June 2 that nearly \$1 million had been embezzled.

Funding was suspended for the Association of Community Organizations for Reform Now, popularly known as ACORN, because of the financial irregularities, said Ralph McCloud, executive director of CCHD, the U.S. bishops' domestic anti-poverty and social justice program.

"We're not funding them at any level," McCloud told Catholic News Service Oct. 15.

The suspension covers all 40 ACORN affiliates nationwide that had been approved for \$1.13 million in grants for the funding cycle that started July 1, 2008.

McCloud said the suspension came soon after his office learned that ACORN disclosed that Dale Rathke, the brother of ACORN founder Wade Rathke, had embezzled nearly \$1 million from the organization and its affiliates in 1999 and 2000. Dale Rathke stepped down in June when the matter became public. Wade Rathke stepped down as the group's lead organizer at the same time but remains chief organizer for ACORN International LLC.

CCHD has hired specialists in forensic accounting to investigate whether any of its grant funding has been misappropriated, McCloud added.

Since revealing its financial troubles, the organization has come under intense scrutiny because of its voter registration practices. In several states voter registration forms have been found to include nonexistent or dead people. Some registrants have told elections officials they completed multiple cards at the urging of ACORN canvassers who claimed they would be fired if they did not meet a daily quota for signing up new voters.

McCloud released information showing that CCHD funded more than 320 ACORN

projects with grants totaling more than \$1.4 million during the last 10 years. He said the community organization also had received funds since early in CCHD's history.

CCHD's Web site reveals the campaign gave about \$1.11 million to 40 ACORN affiliates in 2007 and \$1.17 million to 45 affiliates in 2006.

Over the years, some of the funds undoubtedly were used for voter registration drives, McCloud said.

"It probably was," he told CNS. "But by the same token, we didn't find any voter registration irregularities, the allegations we are finding now."

McCloud also said that CCHD guidelines require that organizations in line for funding "go through a great deal of scrutiny."

Prior to the awarding of grants, applications from local organizations are vetted at the diocesan level by a funding committee, endorsed by the local bishop, and then scrutinized by the national CCHD staff and a committee of the U.S. Conference of Catholic Bishops, McCloud explained.

"The whole idea is making sure that the efforts of the groups we fund are working in nonpartisan efforts and focusing on the kind of work that we would like for them to do," McCloud said.

The organization has not returned several calls from CNS seeking comment about the suspension of funding.

However, ACORN officials are defending the organization's voter registration practices. During an Oct. 14 press conference, spokesman Patrick Whelan acknowledged that some of the organizations 13,000 canvassers submitted duplicate or false registrations, but said they represented a tiny fraction of the 1.3 million new voters signed up for the Nov. 4 election. He said the organization itself discovered many of the problem registrations.

Traditionally drawn to causes usually backed by Democrats, the 38-year-old organization has conducted organizing campaigns in low- and moderate-income communities on issues such as unemployment, affordable housing, predatory

lending, health care, minimum wage and living wage, and immigration. ACORN also has conducted voter registration drives throughout its history by hiring canvassers to go door to door and to visit public sites where people gather.

The organization has more than 1,200 chapters in 110 cities, according to its Web site.