Notes from East Regional Meeting 8/15/08, Washington DC

REPORT ON THE STATUS OF THE ORGANIZATION – what happened, board response

943k embezzlement thru credit card and false reimbursements
Agreed to repay 30k a year in order to not be prosecuted
Decision by wade along with management council
Understanding that wade would inform EC of theft & decision to keep dale
Came out that mbrs of AB not informed of this
Was revealed after a nat'l funder found out
AB met at convention
At convention asked wade to step down from acorn & all affiliates
Dale asked to leave
Formed IMC & AB voted to have 3 AB mbrs on IMC – finance (carol hemingway from PA) legal (Karen Inman from MN) organizational development (marcel Reid from DC)
AB trusting IMC to assess organization & make recommendations for going forward

After dale's theft there were procedures put in place to prevent that kind of theft from happening again.
The laxity and loophole that enabled dale to steal that much money has been closed
There are other ways people could steal money and others have stolen much smaller amounts locally
As far as we know all have been caught
IMC is reviewing credentials of a firm that can do an outside accounting review to make sure money can't be stolen and to assess cci overall and make recommendations
Looking into hiring a company named Mesirot to help assess cci and make recommendations for moving forward

The $943k has been paid back in full now and is in a protected bank acct. It will go back to the corporations that it came from. A range of different entitities.
i.e. a precursor to the current health fund (that will benefit the health fund)

Leadership has no faith in staff. Wade betrayed them

STATE OF FINANCES

Financial status of ACORN – over $2M in funds are being held by foundations because of the situation
Currently owe over $800k to IRS
Haven't paid medical bills of over $300k
We are essentially "broke" nationally and lots of offices are struggling

$943k has been repaid (unclear where that money is now)

Making progress with funders
Biggest outstanding is CCHD I think he said 42 grants and $1.4M is being held up
One thing we may need to do for cchd:
May need to find a local allied org that is willing to act as a fiscal sponsor. Legal documentation
They would play the role that AISJ has played up till now with CChd grants

2nd group of ~30 funders making progress, they have met with leaders

Ford,

Needmor (helping convene group of 30 funders – hoping to have their 6 grants released in Sept)
Mott has stepped up and continued support. We think they 'll renew stuff
Sandlers have committed $1M a year. We haven't been able to spring that money for 08
They had other issues prior to this happening. Many with wade.
Money for recruitment and training. Big hole in nat'l budget
Voter reg and civic engagement work continues to flow to PV. Including from sandlers. Funders realize it of critical importance to the country

ACORN owes health fund roughly $500k to bail out health fund
If we don't do this then we'll have to pay more when the health fund runs out of money
Big ny ally forest city ratner agreed to loan us $1M at 2% and grant us $500k to pay back health fund and to use for other transition costs. Board will decide how much to allocate to IRS payment and how much to allocate to lawyers
Also trying to get money from Bloomberg and other NY and other wealthy allies for this
Also asking cabal of 30 funders for transition funds

We've started going out aggressively to a bunch of wealthy allies and some are excited to fund building a new acorn

Pension fund is in fairly good shape
Issues are more with Health fund. It is short of money and it needs to be bidded out to commercial insurance companies

LAWSUIT FILED BY REID & INMAN AGAINST ACORN ON 8/14

Marcel Reid & Karen Inman (2/3 of AB mbrs on IMC) filed a request for an injunction Thursday 8/14 late afternoon –. Filed a request for a TRO (temporary restraining order) asking that Wade, dale, bertha, and Mike Jones could not sign any contracts on behalf of ACORN. Claimed that they were acting on behalf of the board but rest of IMC and even rest of board appeared not to know about it.
It was done in bad faith.
Some question whether judge granted it. Beth kingsley is confident that is has no legal authority
It states that they are acting on authority of the IMC and board which they are not.
Karen also showed up on Monday 8/11 in NOLA with 3 fraternity mbrs trying (and failing) to get access to the books

The fact that the suit has been filed now opens things up to the public record and puts us to further vulnerability to the media

PRESS COVERAGE

NYT reporter is working on 2nd story. She asserts that we have lied concerning the restitution and we are working to show documentation to refute her assertion

So far NOLA media has ignored the whole story. If suit goes forward the court reporter will likely pick it up
Bertha is trying to convince marcel & Karen to cancel suit

We think whatever sources Stephanie has are no longer good sources. The questions she asks us about are things that no one in any level of management would think to be true. Think that she may be getting misinformation from funders who don't like us. Good news that info has generally been wrong.

Once we start proving sources wrong then she stops believeing the source. That's why we are trying so hard to find cancelled checks to prove this.

Some of people in funders group have long vendettas against acorn. So many of the things we hear from Stephanie strom are rumors and heresay so that leads us to think it comes from such funders

Frustration over lack of management in the national office in NOLA.
Solution hasn't been figured out yet
Jon will set up conversation with Katy, Bertha, Beth, Bradberry, Tanya, & Liz to discuss local/national relations & national management in NOLA etc.

Seems that stephanie strom is more interested in a gotcha story not something informative
Stephanie strom told john atlas that she's not sure what she's looking for, she's just looking for something

COUNCIL CORPORATIONS

Tricky question of how acorn board relates to all of the other boards on the COUNCIL (i.e. ACORN & ACORN International)
CCI Board had one board mbr and now has 4-5 board mbrs.

Over 146 corporations in COUNCIL (ACORN family)
Dale & Wade affiliated with over 100 of them
Legally removing Wade & Dale from this stuff is complicated & will take time to sort out

Request for List of corporations, active or inactive, who is on board, do we think we need them around

ACORN International
We are reaching out to Canada ACORN to have a leadership mtg
Also to other international offices.
EC's goal is to try and resolve as many of these issues in a way that is amicable to the organization. These are balancing acts that are partly political and partly legal.
hope to bring

ACORN International is a 501c3 that was set up to raise $ for all of ACORN's international operations
I think each international office is its own organization in its own country
Legally the acorn board can only deal with ACORN international the US 501c3

Canada board is meeting on 8/16. Hasn't had as much time to deal with this as US board and is trying to catch up

STAFF TRANSITIONS

Bertha elected to be interim chief
Bertha's & Katy's jobs are interim until October
Jon is interim staff director and he wants it to be interim
She has said consistently that she is about postings for key positions
Including for several key state HO positions
Everything is interim until October
CA board is going to decide whether to accept Amy Schur as HO or to decide to post on the job.

All other state HO jobs and other senior jobs will be posted.
Board made decision about bertha
Bertha consulted with a bunch of people and then decided on Katy

OH board is in process on OH job
Katy will need to rethink RD system and who her staff will be
There may be some changes there.
Discussion at RD & big state HO table (senior field table)

Aimee only asked to not be an RD anymore and just to focus on OR
Jeff is MW RD again
Liz Wolff is not Research Director anymore and is full-time dealing with transition issues focused on legal and internal financial stuff

Many people had common issues with lack of job postings and a more open decision making process
Bk asks that ppl make specific proposals
There will be a wiki and people will be able to continue to submit and refine ideas after the meeting

States that might open up
BK asked to know longer be FL HO before the end of the year
CA is opening up

Bylaw that says that state boards have to approve their state HO.

WHAT'S GOOD ABOUT ACORN

Member run & led
Issues that reflect the ppl we represent. "issues that matter"
Ability to win
Action Based
Work that creates real impact
Hold politicians accountable
Survivability & growth over 38 years when so many orgs die (sustainability)
Commitment of organizers and staff
Staff are both radical and practical. Don't get caught up in ideological fights that lots of other organizations face. Fairly similar politics of staff
Always evolving
Power analysis is around quantifiable and accountable #'s
How local-state leads to a national movement
That we can move policy and that we operate politically and we use both to build the organization
We do a good job branding ourselves as the go-to organization
Staff development and opportunity to move up in the organization
Inclusive regarding membership
We're exciting, never a day the same
multi issue

organize the unorganized and train mbrs to think like organizers and to see the big picture
grass roots
doorknocking – field
taking ideas and opportunities when needed to move and grow. Ambitious and willing to consider lots of ideas. "the sky's the limit"
functioning multi-racial coalition – address issues that affect many people of color
young adults are a part of staff and management . opportunity to hire young staff and train them
don't tell people what issues to work on and how they should think. Allow issues to drive people to mbrsp
fighting capitalism
don't speak for people. Give people opportunity to speak out themselves

NOTES FROM THE 3 SMALL GROUP BREAK OUT SESSIONS (Sustainability, Organizational Culture, National Organization Plus) ARE NOT INCLUDED HERE

This is a small excerpt from NATIONAL ORG BREAKOUT GROUP:

idea of having campaign-focused staff fly in to cities to help run campaigns (like how Pol ops brings in ppl to help do vr on run elections) Separate idea of flying around tech staff to help offices

need more support on leadership development and especially board mbr development

STAFF PROCESS

Notes out of all 3 regional meetings – going on wiki
Field Ops in September
New HO training after field ops
October AB mtg

In response to conflict from last year wade appted zach to bring in an outside consultant to work with us on staff structure and decision making structure. Hasn't been figured out how to revive that entirely but it is still a plan to move in the short term

BK advises people to not only bring up ideas here but to put things in writing. That is a way to make sure your ideas get heard

Hot button issues to flag in the coming year.

1. Centralization vs. decentralization - What is role of nat'l organization vis a vis local offices?

   How do we structure organization?
   Maximum efficiency or coordinated autonomy (grass-roots) decentralized national office
   there is value to having a nat'l hq that isn't DC. Shows our focus is grass roots and on the ground

   how do we beef up national and state operations and how much power do RD's & other non-local staff have?

   Need to solve organizational cultural tension btw divisions w/in organization (nat'l vs. local too)
   Integrations btw divisions

2. Internal communication
   Some things do need to be kept confidential
   Hesitancy to keep some things in writing
   Trust and confidence that everyone is doing their job
   There are a few issues where there are legal questions around what can be disclosed
   IMC had to sign confidentiality agreements to be briefed on some of the things about the health & pension funds by their trustees

3. Say staff process rather than staff decision making because board & mbrs are involved in decision making
   Need to grapple with issue of how wade made so many decisions and now things can be done differently
   There was conflict on national board. Wasn't good communication with staff on how to move as a result of that
   How do you balance staffing nat'l board btw bertha's job and role of state HO's
   Hasn't been real commitment on how to prep board mbrs going into major meetings
   Boards don't make every decision. Needs to be clear that there are some things that boards delegate to staff on some decisions
4. Regional meetings on a regular basis. Institutionalizing this
5. Have regions meet at field ops mtgs to work on regional stuff to give Rd's ability to focus on the nitty gritty and not just the list of things they need to manage ppl around
6. What do people need to have power and a voice in the organization that relates to their role and experience in the organization? (how do seniority & responsibility relate to power in the organization)
   Proposal to have break outs at field ops divided into small offices & big offices
   Small offices don't have capacity of big offices so lots of the discussion at field ops doesn't apply to them
   Segment field ops agenda based on office size
   We have gone from a city based to a state based organization so we need to figure out how to balance needs of new organizers
   The way acorn has worked in that you earn your power and you earn your voice. People who have built organization are the ones who have built power
   To be at state HO table you need to have at least 3 offices in your state
   To get on Management council you need to manage a budget of at least $500k
7. Shared learning
8. Small office program (also underserved areas) – rd's working with offices to raise $ and grow
   It would be good for small cities to have ability to power plan with people who have been around for a while
   Have a fresh set of eyes to come in. we used to have "think/work days" we come in and think you do the work
9. Research/policy
10. Management council – used to be senior staff that vetted proposals before they went to the board. A place where major decisions were vetted before they went to the board
    Some such body should exist but where it is and how it fits in is up for debate
11. UN Security council model for management council where have permanent and rotating members
12. Staff development program – goal should be to have more people with bigger operations and more power
13. What does a national power plan look like and what is process for making it
14. Decision making about campaigns
    Probably unwieldy to have field ops make campaign decisions
    Management council doesn't make sense (knon doesn't need to weigh in on campaigns)
    Do we have offices committed to doing the most on specific campaign committees
    Need to involve leaders in decisions or committees too
15. Resources for RD structure. Like to fund development operation for regions like the south

Marcel (AB delegate to IMC who attended meeting) made the following brief comments about priorities of members:

- Give mbrs more notice on turnout
- Recruit younger mbrs
- Recruit higher income mbrs
- Have some joint staff & leadership trainings

HEALTH CARE CAMPAIGN

ali needs help figuring out local campaigns and policy
if we're getting lots of resources on this can we start spending some on figuring out local campaigns

darren is going to start working with offices more on this

could do health fairs

columbus is doing wksps on how to get your bills paid but they haven't gotten funding from them

lots of people are really angry at their medicare provider (the insurance provider that they chose with medicare part D)
maybe we should just do actions first and figure out the details later

insurance companies are easier target than hospitals in terms of public sentiment

could move "support HCAN" resolutions thru city councils

FORECLOSURE CAMPAIGN

How do we demonstrate that FHA program will be a failure?
Do a mass turn-in of applications on 10/1 or 10/2
if it is going to fail there needs to be a political response to that failure which is bankruptcy

2009 good opportunity to move state pred lending legislation. NC is the model. Think we can move it everywhere not just in blue states. Also think we can move something nationally and want to make sure it has teeth.

Also think we can move legislation on foreclosure processing. Md extended foreclosure timeline from 15 to 120? days for judicial states we want to move the philly model in other places.

In philly winning lots of interest rate write-downs but we need more principal write downs
hearings with servicer, servicer's attorney, housing counselor (advocate), pro tem judge, borrower
they figure out what makes sense based on what people can afford
if people can't reach resolution then it goes before real judge and they decide on whether there should be a foreclosure

philly acorn worked very hard in the city to create a political climate that said it's not good to keep foreclosing on people
bad for city that invests lots of $ in our nbhds
did a bunch of actions on sheriff saying stop the sales
met with all city council mbrs and sold them on a plan to stop sales

did a big forum and invited city council members and got them to call on sheriff to stop sales and to do a rez to call on sheriff to stop sales
also right before city budget approved. And if the sheriff didn't agree we had council mbrs lined up to hold up budget and specifically sheriff's budget until agreement reached. Sheriff agreed and council and sheriff jointly went to judges to figure out the plan. City hasn't yet committed to doing this for the long run.

In philly there is a network of housing counseling agencies
mayor says spending $2M on it. $300k for hotline and $700k for housing counseling. We think they are only spending $1M
Ian and Austin are writing a white paper on this and separately an organizing memo is being written.
Also trying to get judge to write a "dear colleagues" letter

how to engage a judge
legal aid/services helped a lot with technical/legalistic stuff
will put together 2 legal memos that can be used everywhere, one from judge and one from constitutional lawyer
will come up with state-specific strategies

opportunities to go after regional banks and get them to do more to help FTHB's cuz they area discriminating in not loaning enough

helping out the people that had good credit and lost homes to foreclosures (something about option arms) and now they will have to rent for years

fha bill 90% of current value "hair cut"
idea for a campaign going after a servicer for this hair cut
after investment officers instead of the servicers
how to we hit up investment houses nationally Hard to do
investment houses act as trustees – they say

bruce says we should figure out how to go after investors and demand principal write-downs
even though investors pooled resources and bought bundles of many mortgages there is usually a trustee that represents all of them that we could target
servicers are target for moratorium because they make decision on foreclosure
but investor could be better target for everything else
sometimes investors own servicers so then we could do a double hit
pooling and servicing agreements govern how servicers relate to investors.

Fannie mae wants to do an aggressive outreach campaign in FL. Opportunity for us. If goes well could become a national opportunity

Wrap up
field ops – katy is point person for agenda
there will be a New HO training at field ops
also a management council mtg before field ops – jon is point person for agenda
bertha should give us a better, more substantive prep at field ops so people can do the work
Assoc. board mtg – Bertha is point person

consultant process – zach is the point person but he is currently recruiting other people to help