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# **SOUTHERN POVERTY LAW CENTER**

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## **PRELIMINARY REPORT**

July 3, 2017

# TABLE OF CONTENTS

<b>TOP ISSUES.....</b>	<b>4</b>
<b>MORRIS DEES, JR.....</b>	<b>8</b>
BACKGROUND .....	8
TRAPPINGS OF WEALTH .....	9
MARKETING HIS OWN IMAGE .....	11
<b>FINANCIAL OVERVIEW .....</b>	<b>12</b>
ASSETS AND GROWTH.....	12
CASH FLOW AND OPERATIONS .....	13
OFFSHORE INVESTMENTS AND HEDGE FUNDS .....	15
SIX-FIGURE SALARIES AND OTHER PERKS.....	17
QUESTIONABLE COMPENSATION PRACTICES .....	19
GENDER PAY GAP AT C.O.O. POSITION .....	22
THE “POVERTY PALACE” .....	25
<b>FUNDRAISING OVERVIEW .....</b>	<b>27</b>
GENERAL PRACTICES .....	27
PROMINENT DONORS.....	28
<b>INDEPENDENT CONTRACTORS .....</b>	<b>30</b>
OVERVIEW .....	30
FIRMS WITH DEMOCRATIC PARTY TIES .....	30
FIRMS WITH INTELLIGENCE COMMUNITY TIES .....	34
CONTRACTORS WITH UNCLEAR RESULTS.....	35
<b>RATINGS AND PROGRAM SPENDING .....</b>	<b>37</b>
ACCREDITATION AND WATCHDOG RATINGS.....	37
BREAKDOWN OF EXPENSES .....	38
LITIGATION COSTS.....	40

GUIDESTAR CONTROVERSY.....	41
<b>STATE-LEVEL OPERATIONS .....</b>	<b>44</b>
OFFICE LOCATIONS .....	44
STATES OF INTEREST .....	44
<b>PUBLIC ACTIVITIES .....</b>	<b>49</b>
RECENT SPLC LEGAL ACTION.....	49
HATE LIST METHODOLOGY .....	51
HATE LIST COMPOSITION.....	54
NOTABLE PUBLIC INCIDENTS .....	59
<b>PUBLIC CRITICISM .....</b>	<b>60</b>
LIBERAL DISCONTENT .....	60
EMPLOYEE DISSATISFACTION .....	61

## TOP ISSUES

### **Leadership:**

- Morris Dees has been a millionaire since the 1960s and owns at least two homes in Alabama, including a sprawling “Neo-Mediterranean” estate where he lives with his fifth wife among horse stables, tennis courts, and 24-7 security.
- Dees once drove a Rolls-Royce; a local journalist described the “spectacle” of seeing the car parked “day after day” outside a poverty charity.
- Dees named the SPLC endowment after himself, sells postcards and photos of his own image at the Civil Rights Memorial gift shop, and has a “Morris Dees Legacy Fund Kiosk” where visitors can search an interactive touch screen for names of donors to the endowment fund.
- Dees and CEO Richard Cohen have each earned more than \$5 million in pay and benefits since 2000; last year, thirty employees received six-figure compensation.

### **Financial Overview:**

- SPLC has grown by a factor of six over the last two decades and has assets exceeding \$350 million, making it “probably the richest poverty organization in the history of the world.”
- SPLC occupies a six-story “postmodernist” office building that it built with \$15 million in tax-exempt bonds issued through the Montgomery Downtown Redevelopment Authority.
- SPLC’s endowment currently sits at more than \$300 million; none of that money is used for program services.
- SPLC justifies the size of its endowment by claiming it might be unable to afford future fundraising by mail due to “rising postage and printing costs.”
- In the most recent fiscal year, SPLC banked nearly \$10 million in new cash and spent almost as much on salaries and benefits as it did on operating expenses.
- SPLC spends far more on employee compensation, fundraising, and transfers to its \$300 million endowment fund than it does on litigation costs.
- SPLC has roughly \$170 million – more than half its endowment – in alternative assets like hedge funds, offshore partnerships, and other exotic investments.
- SPLC has disclosed having “financial interests” in Bermuda, the Cayman Islands, and the British Virgin Islands, three of the world’s most notorious tax havens.
- SPLC funds health club memberships and a generous 401k match as well as a social club membership for its president and travel expenses for Morris Dees’ wife.
- SPLC paid its former COO nearly \$150,000 during a period in which he was – by his own account – CFO of a prep school 1,000 miles from Montgomery.

- SPLC appears to have compensated its former legal director for the difference between her mortgage and her home value when she moved to Alabama in 2009.
- SPLC has decried the gender pay gap, but its first female COO earned less than either of her two male predecessors during a time when Dees and Cohen enjoyed tens of thousands of dollars in pay increases.

### **Fundraising & Independent Contractors:**

- SPLC frequently claims its finances are under strain despite consistent revenue growth and its status as one of the wealthiest nonprofits in the country.
- SPLC's annual contributions and grants have increased by more than 50% since it added "anti-LGBT" groups to the hate list in 2010.
- SPLC provides scant information on its donors; two of the most notable have deep financial links to George Soros and the Bernard Madoff Ponzi scheme.
- Last year, SPLC paid 13 independent contractors more than \$100,000 each.
- Grassroots Campaigns – SPLC's largest fundraising vendor - has been sued by former employees alleging unpaid overtime, mandatory work without pay, and retribution for trying to unionize; it has also been criticized for misleading donors on where their money goes.
- SPLC has paid multiple fundraising vendors with deep ties to Democratic Party campaigns and committees; several of those vendors have run afoul of regulators.
- SPLC recently paid over half a million dollars to a Pentagon and intelligence community contractor that uses artificial intelligence to predict future events.

### **Third-Party Ratings & Fiscal Integrity:**

- Nonprofit ratings organizations have given SPLC mixed reviews; some are critical for its hoarding of money, others bestow gold-star ratings.
- SPLC is not BBB-accredited – the bureau's standards on assets-to-expenses ratio would make accreditation a challenge.
- Spending 60-65% of expenses on program services is generally regarded as a minimum acceptable threshold for charities; SPLC meets that standard, but not by much.
- While SPLC is within acceptable range for program expenses, serious questions exist about its accounting treatment of joint fundraising costs; observers note SPLC's program expenses would be measurably smaller without the benefit of the joint costs accounting scheme.
- SPLC's litigation costs – excluding salaries and related expenses – are regarded as low for an organization of its size; SPLC spent less than \$1.9 million on litigation-related costs last year.
- SPLC transferred more to its endowment fund last year alone than it spent on litigation costs over the last five years combined.

### **Recent Litigation:**

- SPLC is suing Republican officeholders in Mississippi, alleging racial inequality in education, but is also suing the state to block charter school funding.
- SPLC lost a 2015 lawsuit against a Florida county sheriff's office over juvenile detention practices and was required to reimburse the county for \$130,000 in court costs.
- In 2012, SPLC targeted a veterans' housing facility run by local churches by filing a complaint with the Labor Department alleging gender discrimination.

### **Tactics & Approach:**

- SPLC makes no pretense of political balance, with one official stating that the "radical right" is "uniquely threatening to democracy."
- SPLC seeks total destruction of the groups and people it targets, with officials saying "we absolutely take no prisoners" and "our aim in life is ... to completely destroy them."
- SPLC's hate-list tactics became an issue in aftermath of armed assaults on Family Research Council headquarters in 2012 and a congressional baseball team practice in 2017, as both gunmen were consumers of SPLC information.
- In March 2014, the FBI removed its public links to SPLC data as a resource for information on civil rights issues and hate crimes, a move that may have been influenced by concerns over the Family Research Council attack.

### **Methodology Of The Hate Lists:**

- A 2013 analysis in *Foreign Policy* detailed how SPLC inflates the size of its hate list as much as 70% by counting local affiliates of national groups.
- "When you filter the [2013] list for organizations with identical names, the list of 1,007 becomes a list of 358. ... We're not talking about a difference of 5 or 10 percent in the relative counts; it's 65 or 70 percent."
- Even Morris Dees himself estimates that 95% of hate crimes aren't committed by hate groups, but by "young people" or disgruntled "neighbors."
- SPLC publishes an annual list of "extreme antigovernment groups" that counts single entities dozens of times each and identifies a group in "The Villages" retirement community.

### **Composition Of The Hate Lists:**

- SPLC's various lists of alleged hate groups and extremists include names that, according to most observers, do not belong there.

- SPLC's targets have included black statewide officeholders, members of Congress, cabinet members, think tank presidents, former military officers, philanthropists, an Indian-American author born in Mumbai, and the Cuban-born father of a U.S. senator.
- Dees and SPLC have repeatedly identified military members and veterans as likely candidates to carry out hate crimes or acts of domestic terrorism.
- "SPLC has included Senator Rand Paul and [HUD] Secretary Ben Carson among the neo-Nazis and white supremacists on its extremists lists."
- SPLC recently designated Maajid Nawaz – a liberal, reformist Muslim – as an "anti-Muslim" extremist, prompting criticism from the left.
- Other recent SPLC targets include an octogenarian retired professor, a school parents' group in suburban Minnesota, and the famous "Singing Nuns" of Spokane, Washington.

### **Criticism From Liberals & Employees:**

- Dees and SPLC have been criticized in liberal circles for scaring donors into action, stockpiling money, and failing to do enough for people in need – "the most scathing assessments of Dees and his group have always come from the left."
- Liberal journalists and activists have called Dees an "archsalesman of hatemongering," a "millionaire huckster," and "a con man and a fraud."
- Observers frequently note SPLC has had few black attorneys, executives, or board members.
- In 1986, SPLC's legal staff walked away from the group en masse, citing the failure of top leadership to carry out the organization's mission.
- Recent SPLC employees have criticized the group in online reviews for a "toxic" work environment, lack of diversity, and affording employees "no rights."

## MORRIS DEES, JR.

### BACKGROUND

#### **Morris Dees Is Very Rich And Has Enjoyed The Pursuit Of Wealth Since His Days Selling “Everything From Doormats To Cookbooks” In The 1960s:**

**Dees Boasts Of His Ability To Make Money, Once Citing A Teenage Business Venture Where He Slaughtered Chickens By Driving An Ice Pick Through Their Heads.** “‘When I was 5, I bought a pig for a dollar. I fattened it up and sold it for \$12, then I bought eight or 10 more. I always had a feel for making money,’ says Dees. By 1953, he was in high school, making \$100 a day selling the refuse from his daddy’s cotton gin as mulch to rich city folks. He also started a chicken-plucking operation. ‘I’d stick an ice pick through their heads, dip ‘em in water and run ‘em through a little plucker I invented,’ he says.” (“Morris Dees,” [People](#) Magazine, 7/22/91)

**Dees Became Rich As A Direct Mail Salesman Of Varied Items – Including, By One Account, Rat Poison.** “Morris Dees – who made millions hawking, by direct mail, such humble commodities as birthday cakes, cookbooks (including favorite recipes of American home economics teachers), tractor seat cushions, rat poison ... is nothing if not a good salesman.” (Ken Silverstein, “The Church Of Morris Dees,” [Harper’s](#), 11/00)

- **“[Dees] Was Already A Multimillionaire By The Late 1960s From The Direct-Mail Sales Of Everything From Doormats To Cookbooks...”** (“King Of Fearmongers,” [The Weekly Standard](#), 4/15/13)
- **“In 1969, At Age 34, Dees Sold His Company To The Times-Mirror Company For \$6 Million.”** (“Morris Dees,” [People](#) Magazine, 7/22/91)

**Dees’ Former Business Partner: “Morris And I ... Shared The Overriding Purpose Of Making A Pile Of Money ... We Just Wanted To Be Independently Rich.”** “In the early 1960s, Morris Dees sat on the sidelines honing his direct-marketing skills and practicing law while the civil rights movement engulfed the South. ‘Morris and I ... shared the overriding purpose of making a pile of money,’ recalls Dees’s business partner, a lawyer named Millard Fuller ... ‘We were not particular about how we did it; we just wanted to be independently rich.’” (Ken Silverstein, “The Church Of Morris Dees,” [Harper’s](#), 11/00)

**Dees Then Co-Founded SPLC While Also Working On George McGovern’s 1972 Presidential Campaign; He Used The Campaign’s Mailing List To Raise Money For The Group.** “Dees also stumbled into politics. Through a friend, he met Gary Hart, then running George McGovern’s 1972 presidential campaign. Dees’s direct-mail wizardry raised over \$24 million for McGovern from 600,000 small donors. During the campaign, Dees and Levin started the Southern Poverty Law Center. They used the McGovern mailing list to drum up financial support.” (“Morris Dees,” [People](#) Magazine, 7/22/91)

#### **Dees And His Initial Business Partner, Millard Fuller, Chose Two Very Different Paths After Making Their First Fortune In The 1960s:**



**Dees And His Law Classmate At Alabama, Millard Fuller, Founded And Ran A Direct Mail Business That Made Them Rich At A Young Age.** “After graduation, Dees and [classmate Millard] Fuller hung out a shingle and practiced law. But the real money came from their mail order business, peddling everything from cookbooks to tractor cushions. In 1969, Dees sold the direct-mail firm to the Times Mirror Co. for \$6 million. By then, Fuller had cashed out, given away his money, and with his wife gone to live a Christian life building homes for the poor...” (Carl Cannon, “The Hate Group That Incited The Middlebury Melee,” [Real Clear Politics](#), 3/19/17)

**After Parting Ways With Dees, Fuller Had A Crisis Of Conscience, Gave All His Money To The Poor, And Founded Habitat For Humanity.** “From humble beginnings in Alabama, Millard Fuller rose to become a young, self-made millionaire at age 29. But as his business prospered, his health, integrity and marriage suffered. These crises prompted Fuller to re-evaluate his values and direction. His soul-searching led to reconciliation with his wife and to a renewal of his Christian commitment. The Fullers then took a drastic step: they decided to sell all of their possessions, give the money to the poor and begin searching for a new focus for their lives. ... Fuller co-founded Habitat for Humanity International in 1976 along with his wife, Linda Fuller, and served in executive roles until 2005.” (Habitat For Humanity [Website](#), Accessed 7/1/17)

**After Parting Ways With Fuller, Dees “Bought A 200-Acre Estate Appointed With Tennis Courts, A Pool, And Stables...”** “In 1965, Fuller sold out to Dees, donated the money to charity, and later started Habitat for Humanity. Dees bought a 200-acre estate appointed with tennis courts, a pool, and stables, and, in 1971, founded the SPLC, where his compensation has risen in proportion to fund-raising revenues...” (Ken Silverstein, “The Church Of Morris Dees,” *Harper's*, 11/00)

**“[Dees] Gave Up Neither The High Life Nor The Direct-Mail Business. He Lives In Luxury With His Fifth Wife And Still Runs The SPLC, Which Has Used The Mail-Order Model To Amass A Fortune.”** (Carl Cannon, “The Hate Group That Incited The Middlebury Melee,” [Real Clear Politics](#), 3/19/17)

**Fuller Was Rewarded With The Presidential Medal Of Freedom; Dees Was Rewarded With Induction Into The Direct Marketing Association Hall Of Fame:**

**In 1996, Fuller Was Awarded The Presidential Medal Of Freedom – The Nation’s Highest Civilian Honor.** “In 1996, former U.S. President Bill Clinton awarded Fuller the Presidential Medal of Freedom – the nation’s highest civilian honor – calling Habitat ‘the most successful continuous community service project in the history of the United States.’” (Habitat For Humanity [Website](#), Accessed 7/1/17)

**In 1998, Dees Was Inducted Into The DMA Hall Of Fame – The Fundraising-By-Mail Industry’s Highest Honor.** “The Direct Marketing Association [Hall of Fame] is ... one of the most prestigious honors bestowed on direct marketing practitioners. Candidates for the Hall of Fame should have made a major contribution to the theory or practice of direct marketing.” (“DMA Names Four To Hall Of Fame,” [DMNews.com](#), 7/2/98; Direct Marketing Association, [Press Release](#), 2/21/07)

## TRAPPINGS OF WEALTH

**Dees Owns At Least Two Homes In Alabama, Including A Sprawling “Neo-Mediterranean” Estate With Horse Stables And Tennis Courts:**

## Dees Owns A Seven-Bathroom, 210-Acre Estate In Mathews, Alabama Worth Over \$1.5 Million.

(Montgomery [AL] County Revenue Commissioner [Website](#), Accessed 6/6/17)

<b>PARCEL #:</b> 19 05 21 0 000 003.000	<b>[ 111-E+ ]</b>	Baths: <b>7.0</b>	H/C Sqft: <b>6,396</b>
<b>OWNER:</b> DEES MORRIS S JR	<b>PRSE</b>	Bed Rooms: <b>0</b>	Land Sch: <b>LT/AB1/3</b>
<b>ADDRESS:</b> 2465 CLOVERDALE PK MONTGOMERY AL 36106	Land: <b>1,123,600</b>	Imp: <b>453,700</b>	Total: <b>1,577,300</b>
<b>LOCATION:</b> 1780 HAYNEVILLE RIDGE ROAD MATHEWS AL 36052	Acres: <b>210.000</b>	Sales Info: <b>\$0</b>	

<< Prev Next >> [ 1 / 1 Records ] Tax Year : 2016 ▾

## Dees Owns Another House In Montgomery, Alabama Worth \$725,000.

(Montgomery [AL] County Revenue Commissioner [Website](#), Accessed 6/6/17)

<b>PARCEL #:</b> 10 04 19 1 011 008.000	<b>[ 0-C+ ]</b>	Baths: <b>4.5</b>	H/C Sqft: <b>6,202</b>
<b>OWNER:</b> DEES MORRIS & STARR SUSAN	<b>48</b>	Bed Rooms: <b>0</b>	Land Sch: <b>GM</b>
<b>ADDRESS:</b> 2465 CLOVERDALE PK MONTGOMERY AL 36106	Land: <b>300,000</b>	Imp: <b>425,800</b>	Total: <b>725,800</b>
<b>LOCATION:</b> 2465 E CLOVERDALE PARK MONTGOMERY AL 36106	Acres: <b>0.000</b>	Sales Info: <b>03/01/1999 \$324,000</b>	

<< Prev Next >> [ 0 / 1 Records ] Tax Year : 2016 ▾

**Dees' Estate In Mathews Has Been Described As A "Lavishly Appointed Neo-Mediterranean Home."** "In 2010 the *Montgomery Advertiser* published a 60-photo online slideshow of Morris Dees's lavishly appointed neo-Mediterranean home, whose eclectic architectural and interior-decor influences seemingly included the Alhambra, David Hockney's swimming-pool paintings, the Etsy home page, and a 1970s shag-rug revival. In one slide Dees's fourth wife, artist and weaver Susan Starr, modeled a floor-length evening coat that she had stitched out of transparent vinyl sheeting and fake fur." ("King Of Fearmongers," [The Weekly Standard](#), 4/15/13)

**"Dees Bought A 200-Acre Estate Appointed With Tennis Courts, A Pool, And Stables..."** (Ken Silverstein, "The Church Of Morris Dees," *Harper's*, 11/00)

## In Recent Anecdote About His Klan-Member Cousin Who Lives "Down The Road," Dees Noted One Of The Many Barns On His Estate Is Big Enough To Hold 5,000 Bales Of Hay.

DEES: "You know, my neighbors down the road, they kind of conservative farm type people. One of my cousins is a Klan member down the road ... My barn – I have a bunch of barns – but one big 'un on the side the road has about 5,000 bales of hay in it. And he told the fella, he says, 'Y'all let Morris Dees' barn alone 'cause he's one of us.' [Laughs] Meaning he's family. [Laughs] The South is kind of funny." ("Morris Dees On The Legacy Of His Southern Poverty Law Center," [Colorado Springs Independent](#), 5/10/17)

**In 2011, Dees Said He Has "Security 24-7 At The House And Everywhere Else," Adding That He Was Likely Better Protected Than The State's Governor.** DEES: "I think the more significant number is that there have been about 33 people put in prison for trying to do me in or burn our building. ... Today we probably have better security than any official in the state, the governor or anyone else. Obviously we've got security 24-7 at the house and everywhere else." ("Dees Discusses SPLC's 40 Years Of History, Its Future," *The Montgomery Advertiser*, 5/1/11)

## Dees Once Drove A Rolls-Royce; A Local Journalist Described The "Spectacle" Of Seeing The Car Parked "Day After Day" Outside A Poverty Charity:

**Journalist Ray Jenkins Recalled “The Spectacle Of [Dees’] Rolls-Royce Parked Day After Day” Outside SPLC Headquarters.** “I have known Dees for 30 years, and while I admire much of his work, I can't seem to shake the notion that he is a person of aggrandizing impulses. I keep remembering the spectacle of his Rolls-Royce parked day after day in the reserved parking space of the director of the Southern Poverty Law Center.” (Ray Jenkins, Op-Ed, “Punish Deeds, Not Speech,” [The Baltimore Sun](#), 10/27/90)

- **NOTE: Jenkins Served As Aide To President Jimmy Carter And Had A “Liberal Political Philosophy.”** “A fiercely independent man who stuck by his liberal political philosophy when it was in and out of favor, Jenkins ... spent 15 months as special assistant for press affairs in President Jimmy Carter's administration – an enlightening experience, he said.” (“Ray Jenkins, Editor Of Editorial Page, Will Retire Dec. 31,” [The Baltimore Sun](#), 10/28/91)

### MARKETING HIS OWN IMAGE

#### **Dees Has Branded His Name And Image Over The Entirety Of The SPLC And Its Civil Rights Memorial:**

**SPLC’s Endowment Fund Is Formally “The Morris Dees Legacy Fund.”** “The endowment fund, formally named ‘The Morris Dees Legacy Fund,’ contains assets that are segregated from the Center’s operating fund and that are restricted by donors for permanent investment or designated by the Center’s Board of Directors for the future support of the Center’s programs and activities.” (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/11, p. 10)

**SPLC Solicits Donations Directly For The Fund; No Mention That Donations Will Go To A \$300 Million Endowment And Not To Program Services Or Litigation.** “Join with other SPLC friends by making a special gift to the Morris Dees Legacy Fund. Your gift will help keep the dream of justice alive for future generations.” ([SPLCenter.org](#), Accessed 7/1/17)



**SPLC’s Civil Rights Memorial, Which Honors Casualties Of The Civil Rights Movement, “Proclaims It Was Built By The Morris Dees Legacy Fund.”** “Smooth, publicity-savvy and detail-averse, Dees is a marketing genius whose greatest success may be selling his own persona as a crusader—a skill on display across the street from the SPLC’s office, where a black granite memorial to the casualties of the civil rights movement proclaims it was built by the Morris Dees Legacy Fund.” (“Has A Civil Rights Stalwart Lost Its Way?” [Politico Magazine](#), July 2017)

- **SPLC Describes The Memorial – Etched With Names Of 40 People Who Died In The Civil Rights Struggle – As A “Solemn Tribute.”** “Twenty-five years later, the black granite monument inscribed with the names of 40 martyrs of the movement remains both a solemn tribute to sacrificed lives and a reminder that the march for racial and social justice continues. ... The names were inscribed on a black granite table, reminiscent of a sundial, that chronicles important events of the movement.” (SPLC [Website](#), 11/4/14)

**The Memorial’s Gift Shop Sells SPLC-Branded Water Bottles And Coffee Mugs Alongside Postcards And Photographs Featuring Dees Himself.** “Inside the memorial’s gift shop, visitors will find on the wall a framed photo of Dees staring off into the distance, looking equal parts pensive and saintly. On a shelf next to SPLC-branded water bottles and mugs, the same image of Dees reappears in another frame; it’s also printed on nearby postcards, which are available for purchase.” (“Has A Civil Rights Stalwart Lost Its Way?” [Politico Magazine](#), July 2017)

**The SPLC Complex Also Features A “Morris Dees Legacy Fund Kiosk,” A “Full-Sized Touch Screen” That Lets Visitors “Search And Display Donors.”** “The Southern Poverty Law Center (SPLC) and friends came together to make a special interactive memorial to the Morris Dees Legacy Fund, to keep the dream of justice alive for future generations. This was a unique project for A+L, programming a full-sized touch screen interactive kiosk that would search and display donors of the Morris Dees Legacy Fund.” (A+L Development [Website](#), Accessed 7/1/17)

## FINANCIAL OVERVIEW

***Note:** SPLC’s tax filings – the IRS Form 990 – are identified in this document by referring to the tax year (or fiscal year) of the filing. SPLC uses a fiscal year that runs from November 1 through October 31 and is identified by the month in which the fiscal year begins. Example: Fiscal 2015 starts on November 1, 2015 and runs through October 31, 2016. Therefore, information from SPLC’s “2015 filing” is a reflection of financial activity that occurred mostly in calendar year 2016 and the final numbers would be current as of October 2016.*

### ASSETS AND GROWTH

**SPLC Has Grown By A Factor Of Six Over The Last Two Decades And Now Has Assets Exceeding \$350 Million:**

**SPLC Had More Than \$353 Million In Total Assets As Of October 31, 2016.** The group reported endowment assets of roughly \$319.2 million and operating assets – including real estate, cash, accounts receivable, and similar assets – of roughly \$33.9 million. (Southern Poverty Law Center, [Financial Statements](#), 10/31/16, p. 5)

ASSETS:	
Total operating fund (including land, buildings, and equipment)	\$ 33,890,967
Total endowment fund	<u>319,283,961</u>
Total assets	<u>\$ 353,174,928</u>

**Weekly Standard: “The SPLC Is Probably The Richest Poverty Organization In The History Of The World.”** (“King Of Fearmongers,” [The Weekly Standard](#), 4/15/13)

- **Comparison: SPLC Is More Than Five Times As Big As The NAACP Legal Defense And Educational Fund When Measuring By Total Assets.** SPLC reported roughly \$353.2 million in total assets as of October 2016. The NAACP Legal Defense and Educational Fund’s consolidated financial statements for the year ending June 30, 2016 reported roughly \$52.9 million in total assets, giving SPLC an advantage of \$300.3 million (or 567% larger). (Southern

Poverty Law Center, [Financial Statements](#), 10/31/16, p. 5; NAACP Legal Defense And Educational Fund, Inc. And Affiliate, [Consolidated Financial Statements](#), 11/10/16, p. 3)

- **SPLC Is Roughly Six Times Larger In Terms Of Assets Than It Was In The Mid-1990s.** “Today [in 2013] the SPLC’s net assets total more than \$256 million (that figure appears on the SPLC’s 2011 tax return, the latest posted on the organization’s website). That represented a more-than-doubling of the \$120 million in net assets that the SPLC reported in 2000, which was itself more than a doubling of the \$52 million in net assets that the SPLC reported during the mid-1990s.” (“King Of Fearmongers,” [The Weekly Standard](#), 4/15/13)

**SPLC Had Less Than \$10 Million In Assets In 1978; Dees Reportedly Said He Would Stop Fundraising When The Endowment Hit \$55 Million, Then Upped The Bar To \$100 Million.**

“Back in 1978, when the Center had less than \$10 million, Dees promised that his organization would quit fund-raising and live off interest as soon as its endowment hit \$55 million. But as it approached that figure, the SPLC upped the bar to \$100 million, a sum that, one 1989 newsletter promised, would allow the Center ‘to cease the costly and often unreliable task of fund raising.’” (Ken Silverstein, “The Church Of Morris Dees,” *Harper's*, 11/00)

- **SPLC’s Endowment Currently Sits At More Than \$300 Million; None Of That Money Is Used For Program Services.** “At the end of the fiscal year, our endowment – a special, board-designated fund established to support our future work – stood at \$302.8 million. We are proud of the stewardship of our resources.” (SPLC [Website](#), Accessed 6/27/17)
  - **Stanford Social Innovation Review:** “Most nonprofits have no endowment at all. And those nonprofits that do have endowments generally have small ones...” (Burton Weisbrod & Evelyn Asch, “Endowment For A Rainy Day,” [Stanford Social Innovation Review](#), Winter 2010)
  - **National Council Of Nonprofits:** “There are some endowments that are so very large (millions and millions of dollars) that the public may wonder why the organization doesn’t spend the funds on current needs.” (“Endowments,” National Council Of Nonprofits [Website](#), Accessed 6/27/17)

**SPLC Justifies The Size Of Its Endowment By Claiming It Could Be Unable To Afford Future Fundraising By Mail Due To “Rising Postage And Printing Costs.”** (Southern Poverty Law Center, 2015 [Annual Report](#), p. 14)

The SPLC builds for the future by setting aside a certain amount of its income for an endowment, a practice begun in 1974 to plan for the day when nonprofits like the SPLC can no longer afford to solicit support through the mail because of rising postage and printing costs.

## CASH FLOW AND OPERATIONS

**In The Most Recent Fiscal Year, SPLC Banked Nearly \$10 Million In New Cash And Spent Almost As Much On Salaries And Benefits As It Did On Operating Expenses:**

**SPLC’s Cash Flow Statement Shows The Group Took In Nearly \$9.7 Million In Net Cash From Its Operating Activities In Fiscal 2015.** SPLC’s receipts included roughly \$50.9 million in public support, \$1 million from “other sources,” \$227,325 in interest and dividends, and



\$152,153 in cash from “services and materials.” After making expenditures for operations, salaries, and benefits, the group reported a net positive cash flow of \$9,687,826. (Southern Poverty Law Center, Statement Of Cash Flows, [Financial Statements](#), 10/31/16, p. 9)

- **SPLC Made Cash Payments Of \$22.5 Million For Operating Expenses And \$20.1 Million For Employee Salaries And Benefits.** (Southern Poverty Law Center, Statement Of Cash Flows, [Financial Statements](#), 10/31/16, p. 9)

	OPERATING FUND	ENDOWMENT FUND	TOTALS
OPERATING ACTIVITIES:			
Cash received for public support	\$ 50,904,319		\$ 50,904,319
Cash received for services and materials	152,153		152,153
Cash received from other sources	1,014,080		1,014,080
Cash payments for operating expenses	(22,470,534)	\$ (597,402)	(23,067,936)
Cash payments for employee salaries and benefits	(20,139,517)		(20,139,517)
Interest and dividend income	227,325	421,498	648,823
Net cash from (used for) operating activities	9,687,826	(175,904)	9,511,922

**All Of SPLC’s Cash Profits – Which Represented 20% Of What It Raised Last Year – Ended Up In The Group’s Endowment Fund:**

**SPLC Transferred Roughly \$10 Million Into Its Endowment Fund; The Number Closely Aligns With The Cash Generated From The Year’s Operations.** SPLC’s cash flow statement shows a transfer of \$10,031,491 from the group’s operating fund – which is used for day-to-day work and short-term needs – to the endowment fund, which is used for long-term investing. The number closely corresponds to the \$9.7 million in net cash from operating activities. (Southern Poverty Law Center, Statement Of Cash Flows, [Financial Statements](#), 10/31/16, p. 9)

FINANCING ACTIVITIES:		
Operation transfers in (out)	(10,031,491)	10,031,491
Payments made to gift annuity plan and pooled income participants	(771,569)	(771,569)
Cash received for new gift annuities	888,449	888,449
Net cash from (used for) financing activities	(9,914,611)	116,880

**SPLC Spends Far More On Employee Compensation, Fundraising, And Transfers To Its \$300 Million Endowment Fund Than It Does On Litigation Costs:**

**Last Year, SPLC Spent An Amount Equal To 80% Of Its Donations On Salaries, Benefits, Fundraising, And A Transfer To Its Endowment Fund.** In fiscal 2015, SPLC reported an expense of \$20,291,678 for employee salaries, compensation, and benefits, \$9,689,461 in fundraising expenses, and a transfer of \$10,031,491 from the operating fund to the endowment fund. The sum of the three equals \$40,012,360, which is 79.6% of SPLC’s reported contributions and grants (\$50,297,653). (Southern Poverty Law Center, 2015 IRS [Form 990](#), 1/26/17)

Item	Amount	2015 Form 990
Contributions and grants	\$50,297,653	Part I, Line 8
Salaries, compensation, benefits	\$20,291,678	Part I, Line 15
Fundraising expenses	\$9,689,461	Part I, Line 16b

Endowment contribution	\$10,031,491	Schedule D, Part V, Line 1b
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**SPLC Reported “Case Cost Expense” Of \$1,858,217 – Which Is Only 3.7% Of Its Reported Contributions And Grants.** (Southern Poverty Law Center, 2015 IRS [Form 990](#), Part IX, Line 24d, 1/26/17)

## OFFSHORE INVESTMENTS AND HEDGE FUNDS

**SPLC Has More Than Half Of Its Endowment In Alternative Assets Like Hedge Funds, Offshore Corporations, And Other High-Risk Investments:**

**According To SPLC’s Most Recent Financial Statements, The Group Invests More Than Half Of Its Endowment – Roughly \$170.3 Million – In Alternative Assets.** SPLC’s financial statements for the year ending October 2016 detail endowment fund investments of roughly \$36.1 million in private equity funds, \$18.0 million in real asset funds (such as real estate, commodities, or agriculture), and \$116.2 million in a variety of hedge funds. (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/16, p. 18)

	VALUE	UNFUNDED COMMITMENTS
Endowment fund:		
Cash funds (a)	\$ 15,787,993	
Fixed income: (b)		
U.S. bond funds	3,737,586	
U.S. treasury inflation protected securities	666,895	
Public equities: (c)		
U.S. equity funds	59,795,647	
Non-U.S. equity funds	69,093,576	
Private equity funds (d)	36,054,681	\$ 27,267,993
Real asset funds (e)	17,964,926	
Marketable alternative funds: (f)		
Absolute return funds	17,324,668	
Arbitrage funds	11,118,660	
Long-short funds	30,659,915	
Multi-strategy funds	57,079,414	
Total endowment fund	\$ 319,283,961	\$ 27,267,993

**SPLC Has An Additional \$27.3 Million In Private Equity Commitments It Has Yet To Fund.** In its most recent financial statement, SPLC lists \$27,267,993 in unfunded private equity commitments. (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/16, p. 18)

**SPLC’s Investment Of More Than \$170 Million In Alternative Assets Was Far Above Its Combined Investments In Stocks (\$128.9 Million) And Fixed Income (\$4.4 Million).** (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/16, p. 18)

**SPLC Has Disclosed Having “Financial Interests” In Bermuda, The Cayman Islands, And The British Virgin Islands – Three Of The World’s Most Notorious Tax Havens:**

**CNNMoney: “Bermuda, The Cayman Islands And The British Virgin Islands Are ... Three Of The Biggest Tax Havens For U.S. Companies...”** “Bermuda, the Cayman Islands and the British Virgin Islands are more than just sunny vacation spots. They’re also three of the biggest tax

havens for U.S. companies, according to a report from the left-leaning Citizens for Tax Justice and the U.S. Public Interest Research Group. The islands are known to house subsidiaries of powerful multinational giants. Companies can filter their profits through business units on these islands to avoid high corporate taxes back in the U.S.” (“Report IDs World’s Top Tax Havens,” [CNNMoney](#), 10/6/15)

**SPLC’s IRS Filings For Fiscal 2014 Reported That The Group Has Financial Interests In Both Bermuda And The Cayman Islands.** The group’s financial interests in Bermuda are not detailed, while several of the investments in partnerships and corporations domiciled in the Cayman Islands are identified. (Southern Poverty Law Center, 2014 IRS [Form 990-T](#), Statement 3)

FORM 990-T	NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST	STATEMENT	3
NAME OF COUNTRY			
CAYMAN ISLANDS			
BERMUDA			

**In Fiscal 2014 Alone, SPLC Appears To Have Sent More Than \$5.6 Million To Offshore Corporations And Partnerships In The Cayman Islands.** One of the transfers – \$102,007 to “BPV-III Cayman X Limited” – was recorded on Christmas Eve 2014. (Southern Poverty Law Center, 2014 IRS [Filings](#), Forms 8865 And 926)

Transferee	Date	Amount
Tiger Global Investment Partners IX, L.P.	11/24/14	\$960,000
BPV-III Cayman X Limited	12/24/14	\$102,007
BPV-III Cayman XI Limited	12/31/14	\$157,574
AQR Style Premia Offshore Fund Ltd.	3/1/15	\$2,200,000
AQR Managed Futures Offshore Fund Ltd.	3/1/15	\$2,200,000
<b>TOTAL</b>		<b>\$5,619,581</b>

**In 2014, SPLC Reported Financial Interest Of An Undisclosed Amount In An Entity Called “DVPJ Corporation” Based In Tortola, British Virgin Islands.** (Southern Poverty Law Center, 2014 IRS [Form 8865](#), Statement 4; [SEC.gov](#), Accessed 6/24/17)

FORM 8865	AFFILIATION SCHEDULE		STATEMENT	4
NAME	ADDRESS	IDENTIFYING NUMBER	TOTAL ORDINARY INCOME OR (LOSS)	CK IF FOREIGN P'SH
INTERNET FUND HOLDING III	FLOOR 4, WILLOW HOUSE, CRI	98-1194297		x
INTERNET FUND HOLDING IIIA	GRAND CAYMAN, CAYMAN ISLAND FLOOR 4, WILLOW HOUSE, CRI	98-1203595		x
DVPJ CORPORATION	GRAND CAYMAN, CAYMAN ISLAND COMMERCE HOUSE, WICKHAMS C ROAD TOWN, TORTOLA BRITISH VIRGIN ISLANDS	98-1064574		x

- **DVPJ Corporation Appears To Be A Vehicle For Investing In “ContaAzul,” A Brazil-Based Provider Of Cloud-Based Software To Brazilian Small Businesses.** “ContaAzul ... Road Town, Tortola, Virgin Islands, British ... registered under the name DVPJ ... ContaAzul markets and develops an easy-to-use cloud-based accounting and invoicing solutions for



small businesses in Brazil. The company is backed by Ribbit Capital, Valar Ventures, Monashees Capital, and Napkn Ventures.” ([XData.co](#), [Crunchbase.com](#), Accessed 6/24/17)

- **The Investment In DVPJ Corporation And The Other Two Entities Listed Above Appear To Be Through SPLC’s Investment In Tiger Global Investment Partners IX, L.P.** This would mean the three companies are direct investments for Tiger Global and indirect investments for SPLC. The end result would be an SPLC investment in a Cayman partnership that invests in a BVI corporation that operates a company headquartered in Brazil. (Southern Poverty Law Center, 2014 IRS [Form 8865](#), Statement 4)

## SIX-FIGURE SALARIES AND OTHER PERKS

### **Founder Morris Dees And CEO Richard Cohen Have Each Earned More Than \$5 Million In Pay And Benefits Since 2000:**

**Dees Has Taken Home More Than \$5.3 Million In Total Compensation Since 2000; Cohen Has Taken Over \$5.1 Million.** Total compensation includes base pay, nontaxable benefits, expense account allowances, and deferred compensation like retirement benefits. Both Dees and Cohen exceeded \$400,000 in annual compensation for the first time in fiscal year 2015, the most recent year filings are available. (Southern Poverty Law Center, [IRS Form 990](#), Years 2000 To 2015)

- **NOTE: “For The First 10 Years Of The Center’s Existence, Dees Drew No Salary.”** (“Morris Dees,” [People](#) Magazine, 7/22/91)

#### TOTAL COMPENSATION 2000-2015

Fiscal Year	Dees	Cohen
2000	\$280,699	\$223,832
2001	\$283,405	\$249,309
2002	\$284,735	\$251,101
2003	\$295,718	\$267,387
2004	\$306,344	\$278,421
2005	\$327,404	\$323,731
2006	\$326,825	\$334,886
2007	\$346,919	\$351,648
2008	\$348,420	\$344,490
2009	\$344,809	\$340,818
2010	\$343,676	\$339,764
2011	\$344,771	\$340,923
2012	\$354,727	\$349,843
2013	\$364,789	\$359,300
2014	\$382,692	\$380,418
2015	\$406,271	\$402,790
<b>TOTAL</b>	<b>\$5,342,204</b>	<b>\$5,138,661</b>

### **At Least Nine SPLC Executives Earned More Than \$163,000 In Total Compensation Last Year; Overall, Thirty Employees Received Six-Figure Compensation:**

**Aside From Dees And Cohen, Seven Other Executives Earned Compensation Packages Ranging From \$163,790 To \$258,869.** (Southern Poverty Law Center, [2015 Form 990](#), Schedule J, Part II, Filed 1/26/17)

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) RICHARD COHEN PRESIDENT/CEO	(i) 346,218.	0.	8,922.	34,600.	13,050.	402,790.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(2) TRENT HUTCHISON SECRETARY/TREASURER	(i) 156,390.	0.	1,861.	30,256.	10,719.	199,226.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(3) LISA SABULKA COO	(i) 188,222.	0.	590.	15,058.	12,319.	216,189.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(4) MORRIS DEES CHIEF TRIAL COUNSEL	(i) 329,560.	0.	30,032.	34,600.	12,079.	406,271.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(5) WENDY VIA CHIEF DEVELOPMENT & COMMUN	(i) 213,327.	0.	607.	32,533.	12,402.	258,869.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(6) MARK POTOK SENIOR FELLOW	(i) 142,577.	3,432.	1,812.	19,248.	12,381.	179,450.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(7) HRIDI BEIRICH DIRECTOR-INTEL PROJECT	(i) 148,201.	0.	636.	11,856.	6,288.	166,981.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(8) RHONDA BROWNSTEIN LEGAL DIRECTOR	(i) 200,433.	0.	3,683.	32,017.	14,054.	250,187.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(9) JAMES M KNOEPP SR. SUPERVISING ATTORNEY/GENERAL COUNSEL	(i) 139,887.	0.	394.	11,191.	12,318.	163,790.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.

**Thirty SPLC Employees Received More Than \$100,000 In Reportable Compensation Last Year.** (Southern Poverty Law Center, [2015 Form 990](#), Part IV, Section A, Line 2, Filed 1/26/17)

**SPLC Funds Health Club Memberships And A Generous 401K Match As Well As A Social Club Membership For Its President And Travel Expenses For Morris Dees' Wife:**

**SPLC's Tax Filings Reveal The Group Pays For A "Social Club" Membership For President & CEO Richard Cohen.** "Dues for membership in a social (business luncheon) club is paid by the organization on behalf of the CEO/president for a de minimis cost to the center. It is used for business purposes." (Southern Poverty Law Center, [2015 Form 990](#), Schedule J, Part III, Filed 1/26/17)

<b>PART I, LINE 1A:</b>
<b>DUES FOR MEMBERSHIP IN A SOCIAL (BUSINESS LUNCHEON) CLUB IS PAID BY THE</b>
<b>ORGANIZATION ON BEHALF OF THE CEO/PRESIDENT FOR A DE MINIMIS COST TO THE</b>
<b>CENTER. IT IS USED FOR BUSINESS PURPOSES.</b>

- **NOTE: Cohen Earns More Than \$400,000 Per Year In Compensation From SPLC.** (Southern Poverty Law Center, [2015 Form 990](#), Schedule J, Part II, Filed 1/26/17)
- **No Evidence Located To Identify The Club; Closest Candidate Is The "Capital City Club," Six Minutes On Foot From SPLC's Montgomery Headquarters.** "Artfully conceived for the city's leadership of today and tomorrow, Capital City Club provides an atmosphere of distinction where Members may meet their friends, entertain their guests and dine in gracious residential surroundings." ([Google Maps](#), Accessed 6/24/17; [ClubCorp.com](#), Accessed 6/24/17)

**SPLC Pays 50% Of The Cost Of Health Club Memberships For Any Employee Who Desires One.** "The organization pays ½ the cost of membership fees to a health club for every employee

who chooses to participate in the health program. The amount is included in each employee's compensation." (Southern Poverty Law Center, [2015 Form 990](#), Schedule J, Part III, Filed 1/26/17)

THE ORGANIZATION PAYS 1/2 THE COST OF MEMBERSHIP FEES TO A HEALTH CLUB FOR
EVERY EMPLOYEE WHO CHOOSES TO PARTICIPATE IN THE HEALTH PROGRAM. THE
AMOUNT IS INCLUDED IN EACH EMPLOYEE'S COMPENSATION.

- **The Health Club Subsidy Is Offered To Every Employee – Including SPLC's President And Other Senior Executives Who Make Six-Figure Salaries.** (Southern Poverty Law Center, 2011 Form 990, Schedule J, Part III, Filed 1/10/13)

Schedule J (Form 990) 2011		Page <b>3</b>
<b>Part III Supplemental Information</b>		
Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.		
Identifier	Return Reference	Explanation
	PART I, LINE 1A	PERIODICALLY, THE SPOUSE OF THE CHIEF TRIAL COUNSEL ACCOMPANIES HIM ON TRIPS WHEN HER PRESENCE SUPPORTS THE BUSINESS PURPOSE. THIS OCCURS INFREQUENTLY AND AT DE MINIMIS COST TO THE CENTER. DUES FOR MEMBERSHIP IN A SOCIAL (BUSINESS LUNCHEON) CLUB IS PAID BY THE ORGANIZATION ON BEHALF OF THE CEO/PRESIDENT FOR A DE MINIMIS COST TO THE CENTER. IT IS USED FOR BUSINESS PURPOSES. THE ORGANIZATION PAYS 1/2 THE COST OF MEMBERSHIP FEES TO A HEALTH CLUB FOR EVERY EMPLOYEE, INCLUDING THE CEO/PRESIDENT, COO, LEGAL DIRECTOR AND DIRECTOR INTELLIGENCE PROJECT, WHO CHOOSES TO PARTICIPATE IN THE HEALTH PROGRAM. THE AMOUNT IS INCLUDED IN EACH EMPLOYEE'S COMPENSATION.

**SPLC Gives All Employees A Free 401(k) Contribution Of 6% Of Salary And Matches Contributions Up To An Additional 4%.** (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/16, p. 21)

<b>NOTE 8 - RETIREMENT PLAN:</b>
The Center has a 401(k) Retirement Plan for its employees. For the year ended October 31, 2016, the plan provided a 6% employer contribution regardless of the employee contribution, and an additional 100% employer match of employee contributions up to 4% of salary. The Center's total retirement plan expense for 2016 was \$1,312,839.

**SPLC Donors Also Pick Up The Cost For Morris Dees' Wife To Join Him On Trips When "Her Presence Supports The Business Purpose."** (Southern Poverty Law Center, 2014 IRS Form 990, Schedule J, Part III, 12/23/15)



<b>PART I, LINE 1A:</b>
PERIODICALLY, THE SPOUSE OF THE CHIEF TRIAL COUNSEL ACCOMPANIES HIM ON
TRIPS WHEN HER PRESENCE SUPPORTS THE BUSINESS PURPOSE. THIS OCCURS
INFREQUENTLY AND AT DE MINIMIS COST TO THE CENTER.

## QUESTIONABLE COMPENSATION PRACTICES

**SPLC Paid Its Former Chief Operating Officer Nearly \$150,000 During A Period In Which He Was – By His Own Account – CFO Of A Prep School 1,000 Miles From Montgomery:**

**Michael Toohey Served As SPLC's COO From August 2008 To May 2012, According To His LinkedIn Profile.** Toohey reports joining the George School, a private Quaker prep school in Pennsylvania, in July 2012 after his SPLC tenure ended in May 2012. (Michael Toohey LinkedIn [Profile](#), Accessed 6/26/17; Staff Directory, [GeorgeSchool.org](#), Accessed 6/26/17)

Form <b>990</b>		<b>Return of Organization Exempt From Income Tax</b> Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)						OMB No. 1545-0047 <b>2012</b> Open to Public Inspection	
Department of the Treasury Internal Revenue Service		▶ The organization may have to use a copy of this return to satisfy state reporting requirements.							
<b>A</b> For the 2012 calendar year, or tax year beginning NOV 1, 2012 and ending OCT 31, 2013									
(22) MICHAEL TOOHEY		40.00				X	136,986.	0.	11,399
FORMER COO									

<p><b>Chief Financial Officer</b> George School July 2012 – Present (5 years)</p>	
<p><b>Chief Operating Officer</b> Southern Poverty Law Center August 2008 – May 2012 (3 years 10 months)</p>	

A non-fixed payment of a bonus and other compensation comprises a one-time payment to the director-legal to facilitate her relocation to center headquarters in Montgomery, Alabama. The payment amount equals the difference between the market value of her house and the principle amount on her mortgage at the time of the relocation plus an amount equal to the taxes due on this amount. The employee agreed to accept a lower salary in exchange for this relocation assistance.

**In Fiscal 2009, Bauer Received A Bonus Of \$36,700 And “Other Compensation” Of \$68,994 On Top Of Her Base Pay Of \$126,117.** Deferred compensation and nontaxable benefits brought her total annual compensation to \$258,699. (Southern Poverty Law Center, 2009 IRS Form 990, Schedule J, Part III)

MARY BAUER	(i)	126,117	36,700	68,994	12,635	14,223	258,669
	(ii)	0	0	0	0	0	0

**Bauer’s Base Pay And Total Compensation Increased Over Each Of The Next Three Years.** Bauer’s base pay went from \$135,415 in fiscal 2010 to \$139,818 in fiscal 2011 to \$159,705 in 2012. Her total compensation over those three years increased from \$164,103 to \$168,819 to \$190,509. (Southern Poverty Law Center, IRS Form 990, Schedule J, Part II, Years 2010 To 2013)

- **Reminder: SPLC Said Bauer “Agreed To Accept A Lower Salary” In Exchange For The 2009 “Relocation Assistance.”** “A non-fixed payment of a bonus and other compensation comprises a one-time payment to the director-legal to facilitate her relocation to center headquarters ... The employee agreed to accept a lower salary in exchange for this relocation assistance.” (Southern Poverty Law Center, 2009 IRS Form 990, Schedule J, Part III)

**Bauer Lasted Less Than Four Years On The Job As SPLC Legal Director.** Bauer’s LinkedIn profile states she served as SPLC’s legal director for three years and eleven months, from July 2009 to May 2013. (Mary Bauer LinkedIn [Profile](#), Accessed 6/28/17)

**By Mid-2013, Bauer Had Already Returned To A Job Virginia - Where She Had Lived Before Moving To Alabama For The SPLC Job.** “The helm of the Legal Aid Justice Center is changing hands, but the ship will stay on course, both the outgoing and incoming executive directors said. Alex Gulotta, the current executive director, is slated to depart ... in January. Taking his place in Charlottesville will be Mary Bauer, who most recently served as the center's director of advocacy. It's not Bauer's first time working at the center, however. June was the fourth time she returned to the center, to take the advocacy post.” (“Bauer Looks To Bring Her Passion To Lead Role Of Justice Center,” *The Daily Progress* [Charlottesville, VA], 12/23/13)

- **“[Bauer] Said She Was ‘Thrilled To Come Back’ When She Filled The Director Of Advocacy Position In June ... ‘It’s Nice To Come Back,’ Bauer Said. ‘Coming Back, We Felt Very, Very Welcomed.’”** (“Bauer Looks To Bring Her Passion To Lead Role Of Justice Center,” *The Daily Progress* [Charlottesville, VA], 12/23/13)

### **SPLC Makes Cash Payments To Teachers Who Help Implement Its “Teaching Tolerance” Education Programs:**

**In 2014, A Hawaii Lawmaker Called Attention To SPLC’s Practice Of Paying Teachers \$250 Each To Attend Its “Teaching Tolerance” Training Sessions.** “State Rep. Bob McDermott filed an ethics complaint against Hawaii State Department of Education District Superintendent Kathryn Matayoshi Thursday after she ignored his Feb. 28 letter requesting she halt the



implementation of a new teacher training program. The program, Teaching Tolerance, was created by the Southern Poverty Law Center in Alabama for K-12 English and history teachers nationwide. The Southern Poverty Law Center will pay teachers \$250 to attend the training, McDermott said, which 'raises all sorts of ethical issues.'" ("Bribes For Teachers?" *Hawaii Reporter*, 3/7/14)

**SPLC Official Confirmed That Her Group Either Donates To Participating Schools Or Makes Direct Payments To Teachers, Depending On District Guidelines.** "Maureen Costello, director of the Teaching Tolerance program, said the organization works around the country with various school districts within the guidelines of the school districts, either by donating to the schools or paying a small stipend to teachers who help improve the pilot program and Hawaii did in fact approve teachers to receive stipends." ("Bribes For Teachers?" *Hawaii Reporter*, 3/7/14)

**The Alabama State Bar Disciplinary Commission Was Asked To Investigate The Issue.** 'Hawaii state Rep. Bob McDermott has asked the Alabama State Bar Disciplinary Commission to investigate the Southern Poverty Law Center's top administrators. This comes after the Alabama-based nonprofit paid Hawaii public school teachers \$250 to attend a workshop and implement the center's K-12 English and history 'Teaching Tolerance' curriculum.'" ("Hawaii Lawmaker Challenges Alabama Group's 'Teaching Tolerance'," *Hawaii Reporter*, 3/21/14)

#### **GENDER PAY GAP AT C.O.O. POSITION**

**SPLC Has Had Three Chief Operating Officers Since The Position Was Created In 2005; The First Two Were Men And The Most Recent Was A Woman:**

**Jeff Blancett Was SPLC's First Chief Operating Officer (COO) And Served In That Role From 2005 To 2008.** "Jeff Blancett, a health-care executive for most of his career, has taken a senior leadership role at the Southern Poverty Law Center. He is the center's first chief operating officer. Blancett has responsibility for the center's finance, administration, human resources and information technology departments and oversees the business side of the organization's publishing and Web activities." ("SPLC Names Jeff Blancett Chief Operating Officer," *The Montgomery Advertiser*, 8/28/05; Jeff Blancett LinkedIn [Profile](#), Accessed 6/27/17)

**Michael Toohey Succeeded Blancett As COO And Served From August 2008 To May 2012, According To His LinkedIn Profile.** Toohey reports joining the George School, a private Quaker prep school in Pennsylvania, in July 2012, shortly after his SPLC tenure ended. George School's website also confirms Toohey has been working there since 2012. (Michael Toohey LinkedIn [Profile](#), Accessed 6/26/17; Staff Directory, [GeorgeSchool.org](#), Accessed 6/26/17)

**SPLC Hired Lisa Sahulka As COO In September 2013; She Was Presented As Toohey's Replacement, Even Though He Had "Left" SPLC Fifteen Months Earlier.** "[SPLC] today announced the appointment of Lisa A. Sahulka of St. Petersburg, Fla., as chief operating officer. ... Sahulka assumed her new role as a member of the SPLC senior leadership team effective Sept. 16, 2013. ... 'The SPLC is without peer in the country,' Sahulka said. 'It is enormously gratifying to be asked to become part of such a compelling organization. ... The opportunity to support the SPLC, an organization with true national reach, was simply too exciting to pass up.'" (Southern Poverty Law Center, [Press Release](#), 9/17/13)

- “[Sahulka] Succeeds Michael Toohey In That Position.” (“SPLC Welcomes New Executive,” *The Montgomery Advertiser*, 9/21/13)

**Sahulka Says She Served As COO From September 2013 Through June 2016.** Sahulka does not list any employment between June 2016 and April 2017, when she reports that she started as national director for a fellowship program at Columbia University in New York. (Lisa Sahulka LinkedIn [Profile](#), Accessed 6/26/17)

**No Confirmation Located That Sahulka Was Fired In 2016, But She Described The Job As A “Culmination” And “Pinnacle” Of Her Career When Taking It In 2013.** “Lisa Sahulka has taken over as chief operating officer at [SPLC], a position that Sahulka describes as a ‘pinnacle job’ for her career. ... ‘It is a culmination of a lot of what I have done previously,’ said Sahulka, who became COO effective Monday. ... Discovering that the SPLC was looking for a new chief operating officer was exciting news, Sahulka said, and so she began preparing for it with enthusiasm. ‘I had been doing gallons of research. I wanted to make sure I was ready for it in every way,’ she said.” (“SPLC Welcomes New Executive,” *The Montgomery Advertiser*, 9/21/13)

C.O.O. TOTAL COMPENSATION: 2005-2015			
Fiscal Year	Blancett	Toohey	Sahulka
2005	\$206,456		
2006	\$227,882		
2007	\$185,305	\$58,796	
2008	\$159,301	\$89,975	
2009		\$225,765	
2010		\$230,181	
2011		\$234,309	
2012		\$148,385	
2013			\$53,469
2014			\$203,350
2015			\$216,189

(Southern Poverty Law Center, [IRS Form 990](#), Fiscal Years 2005 To 2015)

**Though She Arrived Five Years Later, Sahulka Earned \$22,415 Less In Her First Full Year Of Compensation (FY2014) Than Toohey Did In His First Full Year (FY2009):**

**SPLC Paid Toohey \$225,765 In Total Compensation – Including \$190,432 In Base Pay – In Fiscal 2009.** Toohey also received \$19,000 in deferred compensation, \$15,078 in nontaxable benefits, and \$1,255 in miscellaneous other compensation. (Southern Poverty Law Center, 2009 IRS Form 990, Schedule J, Part II)

MICHAEL TOOHEY	(i)	190,432	0	1,255	19,000	15,078	225,765
	(ii)	0	0	0	0	0	0

**SPLC Paid Sahulka \$203,350 In Total Compensation – Including \$175,808 In Base Pay – In Fiscal 2014.** Sahulka also received \$14,065 in deferred compensation, \$12,774 in nontaxable benefits, and \$703 in miscellaneous other compensation. (Southern Poverty Law Center, 2014 IRS Form 990, Schedule J, Part II)

(2) LISA SAHULKA COO	(i)	175,808.	0.	703.	14,065.	12,774.	203,350.
	(ii)	0.	0.	0.	0.	0.	0.

- **NOTE: Morris Dees And Richard Cohen Each Saw Their Compensation Rise By 11% Between 2009 And 2014.** Dees' and Cohen's annual compensation increased by \$37,883 and \$39,600, respectively, over the five-year period while Sahulka was paid \$22,415 less than her male predecessor. (Southern Poverty Law Center, 2009/2014 IRS Form 990, Schedule J, Part II)

Fiscal Year	Dees	Cohen
2009	\$344,809	\$340,818
2014	\$382,692	\$380,418
\$ Gain	\$37,883	\$39,600
% Gain	11.0%	11.6%

**Sahulka Earned \$13,992 Less In Her Second Full Year Of Compensation (FY2015) Than Toohey Did In His Second Full Year (FY2010):**

**SPLC Paid Toohey \$230,181 In Total Compensation – Including \$194,396 In Base Pay – In Fiscal 2010.** Toohey also received \$19,440 in deferred compensation, \$15,439 in nontaxable benefits, and \$906 in miscellaneous other compensation. (Southern Poverty Law Center, 2010 IRS Form 990, Schedule J, Part II)

3 MICHAEL TOOHEY	(i)	194,396.	0.	906.	19,440.	15,439.	230,181.
	(ii)	0.	0.	0.	0.	0.	0.

**SPLC Paid Sahulka \$216,189 In Total Compensation – Including \$188,222 In Base Pay – In Fiscal 2015.** Sahulka also received \$15,058 in deferred compensation, \$12,319 in nontaxable benefits, and \$590 in miscellaneous other compensation. (Southern Poverty Law Center, [2015 IRS Form 990](#), Schedule J, Part II, Filed 1/26/17)

(3) LISA SAHULKA COO	(i)	188,222.	0.	590.	15,058.	12,319.	216,189.
	(ii)	0.	0.	0.	0.	0.	0.

- **NOTE: Morris Dees And Richard Cohen Each Saw Their Compensation Rise By 18% Between 2010 And 2015.** Dees' and Cohen's annual compensation increased by \$62,595 and \$63,026, respectively, over the five-year period while Sahulka was paid \$13,992 less than her male predecessor. (Southern Poverty Law Center, 2010/2015 IRS Form 990, Schedule J, Part II)

Fiscal Year	Dees	Cohen
2010	\$343,676	\$339,764
2015	\$406,271	\$402,790
\$ Gain	\$62,595	\$63,026
% Gain	18.2%	18.5%

**SPLC Reported Severance Payments Of \$63,333 And \$50,531 To Sahulka's Two Male Predecessors; She Received A Severance Payment Of Only \$10,000:**



**SPLC Reported Making A \$63,333 Severance Payment To Former COO Jeff Blancett Sometime Between November 2008 And October 2009.** SPLC reported the payment in its 2008 fiscal year tax filing; the fiscal year ran from November 1, 2008 through October 31, 2009. In that year's filing, SPLC identified Blancett as "former COO" and reported total compensation of \$159,301. (Southern Poverty Law Center, 2008 IRS Form 990, Schedule J, Part III)

Part I, Line 4a	Jeff Blancett received a severance payment of \$63,333
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**SPLC Reported Making A \$50,531 Severance Payment To Former COO Michael Toohey Sometime Between November 2011 And October 2012.** SPLC's fiscal year ran from November 1, 2011 through October 31, 2012, covering the period of time when Toohey says he left the organization. SPLC's filing reported that Toohey received \$234,309 in total compensation that year. "Line 4A" asks the group to report if any employee received a "severance payment or change-of-control payment." (Southern Poverty Law Center, 2011 IRS Form 990, Schedule J, Part III, Filed 1/10/13)

PART I, LINE 4A	MICHAEL W TOOHEY - \$50,531
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**SPLC Reported Making A \$10,000 Severance Payment To Sahulka Sometime Between November 2015 And October 2016.** SPLC reported the payment in its 2015 fiscal year tax filing; the fiscal year ran from November 1, 2015 through October 31, 2016, covering the period of time when Sahulka left the organization. "Line 4A" asks the group to report if any employee received a "severance payment or change-of-control payment." (Southern Poverty Law Center, [2015 IRS Form 990](#), Schedule J, Part III, Filed 1/26/17)

PART I, LINE 4A:
LISA SAHULKA RECEIVED A \$10,000 SEVERANCE PAYMENT FOR THE FISCAL YEAR
NOVEMBER 1, 2015-OCTOBER 31, 2016

- **NOTE: SPLC Decries Pay Inequity; "How Is It That 50 Years After JFK Signed Equal Pay Act, A Woman Still Earns 77 Cents For Every Dollar A Man Makes?"** (@SPLCenter, 6/10/13)



## THE "POVERTY PALACE"

**SPLC Occupies A Six-Story "Postmodernist" Office Building That It Built For \$15 Million In 1999-2001:**

**In 2001, SPLC Moved Into A Custom-Built, 60,000 Square Foot Office Building In Downtown Montgomery.** (Erdy McHenry Architecture [Website](#), Accessed 6/27/17)

***Politico Magazine: “A Six-Story Postmodern Edifice That Could Be The Outhouse For Frank Gehry’s Guggenheim Museum In Bilbao...”*** “The building—a six-story postmodern edifice that could be the outhouse for Frank Gehry’s Guggenheim Museum in Bilbao—is the most architecturally striking structure in downtown Montgomery.” (“Has A Civil Rights Stalwart Lost Its Way?” [Politico Magazine](#), July 2017)

***Weekly Standard: “A Fortress-Like Six-Story Office Building That ... Has Been Variouslly Described By Its Critics As A ‘Small-Scale Death Star’ And A ‘Highrise Trailer.’”*** “The SPLC’s sprawling two-story concrete-and-glass headquarters in downtown Montgomery bore the nickname ‘Poverty Palace’ among locals—until the mid-2000s, when the center, whose staff had grown to more than 200 (including 34 lawyers), moved into a fortress-like six-story office building that it had commissioned. The new SPLC building, a postmodernist parallelepiped faced in steel and black glass, has been variously described by its critics as a ‘small-scale Death Star’ and a ‘highrise trailer.’” (“King Of Fearmongers,” [The Weekly Standard](#), 4/15/13)

**Cash-Rich SPLC Financed Construction By Issuing \$15 Million In Tax-Exempt Bonds Through The Montgomery Downtown Redevelopment Authority (MDRA):**

**SPLC Borrowed \$15 Million In The Bond Market To Fund Construction Of Its New Headquarters; MDRA Served As The Issuer.** “NOTE 6: LONG-TERM DEBT: The Center’s office building is financed through tax-exempt variable rate demand revenue (Series 2013) bonds issued by the Montgomery Downtown Redevelopment Authority (the Authority), in the aggregate principal amount of \$15,000,000. The bonds were issued pursuant to a trust indenture (the Indenture) dated November 1, 2013. The bonds are limited obligations of the Authority and are payable solely from and secured by a pledge of payments to be made by the Authority under an Agreement of Sale ... between the Authority and the Center. ... Under the terms of the Agreement, the Center is required to make monthly payments to the Trustee, sufficient to pay interest on the bonds.” (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/16, p. 20)

**The Bonds Were Issued In 1999; A New Issue In 2013 Replaced The Original Series.** “The Center is purchasing the facility under the Agreement dated as of March 1, 1999, amended November 1, 2013. ... The Series 2013 bonds were issued November 1, 2013 to refund the Series 2000 bonds.” (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/16, p. 20)

**“[SPLC] Qualified For The Bonds Because Of Its Nonprofit Status And Its Education Programs...”** “About a year from now, the SPLC expects to move from its existing building to a new six-story tower across the street. The \$12.7 million project, now under construction, will allow the SPLC to consolidate its 80 permanent employees in one building. ... The SPLC is paying for the new building with \$15 million in tax-free bonds issued by a local redevelopment authority. The SPLC qualified for the bonds because of its nonprofit status and its education programs...” (“SPLC Plans Civil Rights Education Center,” *Birmingham News*, 12/21/99)

**SPLC – Already Tax-Exempt Due To Its Nonprofit Status – May Have Further Avoided State And Local Taxes By Working Through MDRA:**

**Montgomery County Website: “Projects Of The Authority Receive An Exemption From State And Local Construction Related Sales Tax And General Property Taxes.”** “The

Montgomery Downtown Redevelopment Authority ... is a governmental entity established by the City of Montgomery to 'promote the public good and general welfare trade, commerce, industry, and employment opportunities.' The principal benefit of utilizing this Authority is that projects of the Authority receive an exemption from State and local construction related sales tax and general property taxes. In addition, certain projects may qualify for federal tax exempt financing resulting in a low interest rate financing." (Montgomery County [AL] [Website](#), Accessed 6/24/17)

**"[Projects] Within The Downtown Area Can Receive Abatement Of Property Taxes And Sales Taxes On The Materials Purchased During Construction/Renovation."** "With the approval of the Downtown Redevelopment Authority, projects involving new construction or renovation of existing structures within the downtown area can receive abatement of property taxes and sales taxes on the materials purchased during construction/renovation." (Montgomery County [AL] [Website](#), Accessed 6/24/17)

## FUNDRAISING OVERVIEW

### GENERAL PRACTICES

#### **SPLC Frequently Claims Its Finances Are Under Strain Despite Consistent Revenue Growth And Its Status As One Of The Wealthiest Nonprofits In The Country:**

**In 1995, An SPLC Fundraising Letter Cited "The Greatest" Budget Strain In The Group's History; SPLC Had More Than \$60 Million In Reserves At The Time.** "Morris Dees doesn't need your financial support. The SPLC is already the wealthiest civil rights group in America, though this letter quite naturally omits that fact. Other solicitations have been more flagrantly misleading. One pitch, sent out in 1995 – when the Center had more than \$60 million in reserves – informed would-be donors that the 'strain on our current operating budget is the greatest in our 25-year history.'" (Ken Silverstein, "The Church Of Morris Dees," [Harper's](#), 11/00)

**In 2013, President & CEO Richard Cohen Said Fundraising Was "On A Downward Trend ... We're Likely To Be Out Of The Fundraising Business Within 10 Years."** "Still, there may soon come a day when the SPLC's donation-generating machine ... finally breaks down. That is why, according to Cohen, the SPLC has no intention of soon spending down much of that \$256 million in stockpiled assets that has earned the center an 'F' rating from CharityWatch. 'We've tried to raise a substantial endowment, because our fundraising is on a downward trend,' Cohen told me. 'Those 1960s liberals—they're getting older, and the post office is dying. We're likely to be out of the fundraising business within 10 years.'" ("King Of Fearmongers," [The Weekly Standard](#), 4/15/13)

- **At The Time Of Cohen's Remarks, SPLC Had Just Reported A 7.3% Increase In Contributions, Marking Its Third Consecutive Year Of Fundraising Gains.** SPLC's fiscal 2011 tax documents – filed in January 2013 – revealed \$38,759,765 in contributions, grants, and gifts, an increase of \$2,634,203 (or 7.3%) over the previous year's report. SPLC's fundraising had also posted gains over prior-year levels in 2009 and 2010. (Southern Poverty Law Center, 2011 IRS Form 990, Schedule A, Part II, Section A, 1/10/13)

<b>Section A. Public Support</b>					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	32,398,233	28,808,327	32,773,404	36,125,562	38,759,765

- **Four Years Later, SPLC Reported \$50.3 Million In Contributions, Grants, And Gifts – 30% Higher Than When Cohen Warned They Might Be Put “Out Of The Fundraising Business.”** SPLC’s fiscal 2015 tax documents – filed in January 2017 – revealed \$50,297,653 in contributions and grants, an increase of \$11,537,888 (or 29.8%) from the amount reported in the January 2013 filing. (Southern Poverty Law Center, 2015 IRS Form 990, Schedule A, Part II, Section A, 1/26/17)

<b>Section A. Public Support</b>					
Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	38,759,765.	37,503,868.	43,667,375.	44,968,003.	50,297,653.

### **SPLC’s Annual Contributions And Grants Have Increased By More Than 50% Since It Added “Anti-LGBT” Groups To The Hate List:**

**SPLC First Added “Anti-Gay-Rights” Groups To Its Hate List In 2010.** “The SPLC began adding anti-gay-rights groups to its list in 2010. It doesn’t list groups for saying that homosexuality is a sin or opposing same-sex marriage, [SPLC’s Mark] Potok said; organizations must go further and ‘engage in really vicious and regular defamation of LGBT people with total falsehoods,’ like claims that gay men are more likely to sexually abuse children.” (“Dozens Of ‘Hate Groups’ Have Charity Status, Chronicle Study Finds,” [The Chronicle Of Philanthropy](#), 12/22/16)

**SPLC Reported Roughly \$50.3 Million In Contributions And Grants In Fiscal 2015, An Increase Of More Than 50% From The Year It Expanded The Hate List.** In the fiscal year ending October 2010, SPLC reported contributions and grants of \$32,773,404. In the most recent fiscal year, SPLC reported contributions and grants of \$50,297,653 – an increase of \$17,524,249 (53.5%). (Southern Poverty Law Center, 2009/2015, IRS Form 990, Part I, Line 8)

**SPLC’s Timing Corresponds With The Ascendancy Of A Mainstream “Fundraising Powerhouse” Within The Gay Community.** “In 1988, well-heeled gay activists went to Michael Dukakis’ presidential campaign with an offer to raise \$1 million for his election effort. The campaign said no, according to the activists. ... Less than a quarter-century later, the gay and lesbian community ranks as one of the most important parts of President Obama’s campaign-finance operation. ... [T]he fundraising powerhouse assembled by the gay community has propelled its concerns to center stage.” (“Gay Political Donors Move From Margins To Mainstream,” [Los Angeles Times](#), 5/13/12)

## **PROMINENT DONORS**

### **SPLC Provides Scant Information On Its Donors; Two Of The Most Notable Are Linked Financially To George Soros And The Bernard Madoff Ponzi Scheme:**

**SPLC Does Not Identify Donors In Its Tax Filings Or Annual Report.** SPLC is not required to list donors on its IRS Form 990 filings, and it does not list them. SPLC also does not provide a list

of select donors in its annual report, as many other nonprofits choose to do. (Southern Poverty Law Center, 2015 IRS [Form 990](#) And 2015 [Annual Report](#))

**According To Published Reports, SPLC Received Over \$5.7 Million Between 2001-2013 From Foundations Funded By Investor And Philanthropist Jeffry Picower.** Data compiled from IRS filings and published by investigative journalist [James Simpson](#) shows \$3,793,112 in contributions to SPLC by the Picower Foundation and another \$1,918,589 from the JBP Foundation, which is the successor organization to the Picower Foundation and is headed by Picower's widow, Barbara. ("Southern Poverty Law Center - Manufacturing Hate For Fun And Profit," [Breitbart](#), 2/16/16; [JBPFoundation.org](#), Accessed 6/30/17)

SPLC Top Ten Contributors 2000 - 2014		
Picower Foundation	\$3,793,112	2001-2008
JBP Foundation	\$1,918,589	2011-2013
Cisco Systems Foundation	\$1,620,000	2001-2004
Grove Foundation	\$1,200,000	2003-2014
Public Welfare Foundation	\$1,050,000	2008-2012
Unbound Philanthropy	\$850,000	2006-2013
Schwab Charitable Fund	\$758,540	2009-2014
Vanguard Charitable Endowment	\$747,980	2006-2014
W.K. Kellogg Foundation	\$650,000	2010-2014
Rice Family Foundation	\$635,000	2000-2013
Source: Annual IRS Filings compiled by Foundation Search		

- **ProPublica: Picower May Have Been “The Biggest Winner In Madoff’s Scheme.”** “It now appears that the biggest winner in Madoff’s scheme may not have been Madoff at all, but a secretive businessman named Jeffry Picower. ... Picower belonged to a select group of Madoff investors who received souped-up returns.” (“Madoff Client Jeffry Picower Netted \$5 Billion – Likely More Than Madoff Himself,” [ProPublica](#), 6/23/09)
- **Picower – A Longtime Madoff Associate – Withdrew, By Some Estimates, “\$7 Billion In Bogus Profits ... It Was Simply Stolen From Other Investors.”** “Jeffry Picower ... was one of Madoff’s oldest clients. Over the decades, he withdrew about \$7 billion in bogus profits, or more than a third of the sum that disappeared in the scandal. The money paid out to Picower was supposedly made on stock trades, but authorities said it was simply stolen from other investors.” ([The Associated Press](#), 12/17/10)
- **In 2010, Picower’s Estate Agreed To Turn Over \$7.2 Billion As Part Of The Effort To Compensate Madoff’s Victims.** “The widow of Ponzi swindler Bernard Madoff’s biggest beneficiary agreed Friday to return a staggering \$7.2 billion that her husband reaped from the scandal, which means many of Madoff’s victims who thought they lost everything could get at least half their money back. ... U.S. Attorney Preet Bharara called the forfeiture the largest in Justice Department history and a ‘game changer’ for those swindled by Madoff. He commended Picower’s widow, Barbara, ‘for agreeing to turn over this truly staggering sum, which really was always other people’s money.’” ([The Associated Press](#), 12/17/10)



**In 2015, “Foundation To Promote Open Society” – A \$7 Billion Nonprofit Founded And Funded By George Soros – Contributed \$75,000 To SPLC.** “Established in 2008 in DE and NY - Founded by George Soros, an investor and philanthropist. Mr. Soros is the founder and Chairman of Soros Fund Management LLC and the co-founder of the Quantum Fund, one of the first hedge funds. He also founded and is Chairman of The Open Society Foundations, an umbrella name for a family of offices and foundations located throughout the world, of which The Open Society Institute is a part.” (Foundation To Promote Open Society, 2015 IRS [Form 990-PF](#); [FoundationCenter.org](#), Accessed 6/30/17)

- **In 2009, Soros’ Open Society Institute Tapped An SPLC Lawyer For A “Soros Justice Fellowship” To Work On Immigration-Related Issues.** “The Open Society Institute today awarded Soros Justice Fellowships to 17 outstanding individuals working to restore fairness to a deeply flawed criminal justice system. ... [Sam Brooke](#); lawyer; Southern Poverty Law Center; Montgomery, AL. Brooke will engage in advocacy and public education to curb arbitrary detentions and abuses at Immigration and Customs Enforcement facilities in the southeastern United States.” (Open Society Institute, [Press Release](#), 4/29/09)

## INDEPENDENT CONTRACTORS

### OVERVIEW

#### **SPLC Retains Numerous Independent Contractors To Work For The Group Each Year At An Annual Cost Of More Than \$100,000 Each:**

**SPLC Routinely Pays More Than \$100,000 Per Year To Multiple Independent Contractors.** Annual IRS filings require nonprofits to list how many independent contractors received more than \$100,000 from the reporting group. In 2015, SPLC reported paying 13 contractors more than \$100,000. In previous years, SPLC reported paying 6, 10, 6, and 8 contractors in excess of \$100,000 in 2014, 2013, 2012, and 2011, respectively. (Southern Poverty Law Center, IRS Form 990, Part VII, Section B, Years 2011 To 2015)

### FIRMS WITH DEMOCRATIC PARTY TIES

#### **SPLC’s Two Highest-Paid Vendors – Grassroots Campaigns (GCI) And Telefund – Are Under The Same Ownership Umbrella:**

**Grassroots Campaigns And Telefund Are Sister Companies With Common Ownership.** “In the rapidly shifting terrain of political fund raising, Grassroots Campaigns Inc. has emerged as a juggernaut. Founded just nine months ago as a sister company to Telefund, a telemarketing firm that specializes in progressive causes, Grassroots Campaigns has gained top-dog status as a fundraiser. Its canvassers are every bit as enthusiastic and ideologically committed as their nonprofit counterparts.” (“Are The Democrats Buying Votes?” [Slate](#), 9/30/04)

#### **Grassroots Campaigns – SPLC’s Largest Vendor – Has Collected Over \$9 Million In The Past Five Years, Far More Money Than It Has Raised For SPLC:**

**GCI Describes Its Primary Service Offering As “Small-Donor Fundraising Canvasses” For “Progressive Political Groups And Candidates.”** “In addition to running ongoing small-donor

fundraising canvasses throughout the U.S., Grassroots Campaigns also has more than a decade of experience running cutting-edge voter contact, volunteer organizing, and grassroots advocacy campaigns on behalf of progressive political groups and candidates.” ([GrassrootsCampaigns.com](http://GrassrootsCampaigns.com), Accessed 6/27/17)

- **Grassroots Campaigns’ List Of Past And Current Clients Includes The DNC, DCCC, And Obama For America.** (“Clients,” [GrassrootsCampaigns.com](http://GrassrootsCampaigns.com), Accessed 6/27/17)

**GCI Pays “Idealistic Teenagers And Twenty-Somethings” Minimum Wage To Walk The Streets And Solicit Money For Liberal Groups.** “Headquartered in Boston, GCI uses Craigslist, college outreach, and other forms of advertising to recruit idealistic teenagers and twenty-somethings who will take the long days in exchange for minimum wage, some commissions, and a platform to support liberal, progressive organizations...” (“Gross Profit: Money Given To Clipboard Kids Rarely Makes It To Nonprofits,” [SF Weekly](http://SFWeekly), 9/28/11)

**GCI Does Not Disclose Its Finances And – As Of 2009 – Did Not Talk To The Press.** “The company that asks for 30 seconds of so many people's time will not spare one second to explain how its business works. ‘We have a strict not-talking-to-the-press policy,’ said Meg Ahearn, a regional director of Grassroots Campaign Inc. ... Even though the corporation works on behalf of nonprofits, it is not held to the same legal requirements to disclose its own finances publicly.” (“Taking A Profit Off An Appeal For Nonprofits,” *The New York Times*, 12/18/09)

**Over The Last Five Years, SPLC Has Paid Grassroots Campaigns More Than \$9 Million And Raised Less Than \$3.5 Million From Those Efforts.** (Southern Poverty Law Center, IRS Form 990, Schedule G, Part I, Fiscal Years 2011 To 2015)

Fiscal Year	Payments	Gross Receipts	Net Receipts
2011	\$1,601,380	\$731,694	-\$869,686
2012	\$1,926,976	\$770,211	-\$1,156,765
2013	\$1,712,158	\$581,478	-\$1,130,680
2014	\$2,028,857	\$757,182	-\$1,271,675
2015	\$1,811,174	\$623,596	-\$1,187,578
Total	\$9,080,545	\$3,464,161	-\$5,616,384

**Grassroots Campaigns Has Been Sued By Former Employees Alleging Unpaid Overtime, Mandatory Work Without Pay, And Retribution For Trying To Unionize:**

**“The Canvassers Hired By Grassroots Campaigns, Inc. Work Under Conditions That Would Likely Make The Organizations They’re Championing Cringe.”** “Though most people don’t know it, the canvassers hired by Grassroots Campaigns, Inc. work under conditions that would likely make the organizations they’re championing cringe. Workers face tight fund-raising quotas and notoriously high turnover rates; the average canvasser lasts less than a month. But the constant pool of new applicants, often churned out by liberal academic institutions, coupled with the bum economy, has allowed Grassroots Campaigns, Inc. to continue to work its young employees very hard seemingly without much repercussion.” (Matthew Green, “Hello, Wanna Give To A Good Cause?” [East Bay Express](http://EastBayExpress) [Oakland, CA], 11/3/10)

**In 2007, CGI Was Target Of Class-Action Suit By Former Employees Alleging They Had Been Unlawfully Denied Overtime Wages; Parties Reached A \$600,000 Settlement.** “The case, Angela Badami, et al. v. Grassroots Campaigns, Inc., was a [2007] class-action suit on behalf of current and former employees of the company. It resulted less than five months later in a \$600,000 out-of-court settlement. The funds were distributed among the roughly 125 current and former canvass managers in California that had been denied overtime wages. According to Nelson, an additional 1,000 GCI staff received a small lump sum payment for a mandatory unpaid training day they'd participated in. For all her efforts, Badami got \$3,000 — the equivalent of about two months of what she made working for Grassroots Campaigns, Inc.” (Matthew Green, “Hello, Wanna Give To A Good Cause?” [East Bay Express](#) [Oakland, CA], 11/3/10)

**In 2008, GCI Was Sued For Firing Employees Who Sought To Form A Union; NLRB Took The Case And GCI Eventually Settled, Paying Out \$18,000 In Back Wages.** “Not so surprisingly, the company was sued again in 2008, this time for firing three employees from its Chicago office who attempted to form a union. The employees initially sought legal aid from the ACLU, but as a client of Grassroots Campaigns, Inc., the civil liberties group had to decline because of conflict of interest. Ultimately, the National Labor Relations Board took the case and Grassroots Campaigns, Inc. settled, paying almost \$18,000 to the workers in back wages.” (Matthew Green, “Hello, Wanna Give To A Good Cause?” [East Bay Express](#) [Oakland, CA], 11/3/10)

**Employment Attorney, On Grassroots Campaigns: “They’re Committing The Most Egregious And Most Blatant Overtime And Minimum-Wage Violations I’ve Seen...”** “I never understood why more people weren't interested in this,” said attorney [Robert] Nelson, who's also a former journalist. “They're a company that bills itself as an extension of the DNC, fighting for workers' rights and liberal causes. Meanwhile, they're committing the most egregious and most blatant overtime and minimum-wage violations I've seen before I handled this case and since I handled this case.” (Matthew Green, “Hello, Wanna Give To A Good Cause?” [East Bay Express](#) [Oakland, CA], 11/3/10)

**Grassroots Campaigns – Known For Its “Clipboard Kids” Canvassing Force – Has Been Criticized For Misleading Donors On How Much Money Ends Up With The Actual Charity:**

**GCI Has Repeatedly Insisted That “100%” Of The Money It Raises For Nonprofit Clients Goes To The Client.** “Don't be fooled by her Planned Parenthood shirt or impassioned speech; Davis may look like a volunteer, but she is a paid solicitor with Grassroots Campaigns, Inc., a for-profit company that nonprofits pay millions of dollars to run expensive, nationwide fundraising drives on their behalf. ... How much of the donations will the charity receive and how much will GCI keep? The answer GCI provides time after time is that 100 percent of the money goes to the charity.” (“Gross Profit: Money Given To Clipboard Kids Rarely Makes It To Nonprofits,” [SF Weekly](#), 9/28/11)

**GCI Based The “100%” Claim On The Fact That All Money Is “Initially” Placed In The Underlying Charity’s Custody; It Does Not Stay There.** “GCI's charity clients rarely make any revenue during a campaign, and may not see returns for years down the line. Yet GCI and the charities it works for continue to defend the ‘100 percent goes to the nonprofit’ claim. Under California law and according to the contracts between GCI and the charities, all of the money GCI collects must initially be placed in the nonprofit's custody. From that perspective, the charity does receive 100 percent of the money.” (“Gross Profit: Money Given To Clipboard Kids Rarely Makes It To Nonprofits,” [SF Weekly](#), 9/28/11)



- **“Fundraising Regulators And Experts Call This Tactic Unethical, Dishonest And An Omission Of Material Fact.”** (“Gross Profit: Money Given To Clipboard Kids Rarely Makes It To Nonprofits,” [SF Weekly](#), 9/28/11)
- **The FTC, Better Business Bureau, And Other Groups Say The 100% Claim Is Dishonest Fundraising.** “The Federal Trade Commission, the Better Business Bureau Wise Giving Alliance, the American Institute of Philanthropy, the Association of Professional Fundraisers, and several nonprofit attorneys all said that the ‘100 percent’ response is at odds with what they consider to be honest fundraising.” (“Gross Profit: Money Given To Clipboard Kids Rarely Makes It To Nonprofits,” [SF Weekly](#), 9/28/11)

**SPLC Has Paid Grassroots Campaigns’ Sister Company, Telefund, Nearly \$2 Million Over The Past Five Years; The Company Has Also Run Afoul Of Regulators:**

**SPLC Has Paid Telefund More Than \$1.9 Million Over The Most Recent Five Years.**

According to SPLC’s tax filings, it paid Telefund \$384,386 in fiscal 2011, \$458,232 in fiscal 2012, \$422,292 in fiscal 2013, \$402,994 in fiscal 2014, and \$241,586 in fiscal 2015. (Southern Poverty Law Center, IRS Form 990, Schedule G, Part I, Fiscal Years 2011 To 2015)

- **Telefund Collected Just Shy Of \$2 Million From The DNC, The DCCC, And EMILY’s List During The 2016 Election Cycle.** The group also lists Obama for America and Hillary for America on its “Clients” website page. ([OpenSecrets.org](#), Accessed 6/27/17; [Telefund.com](#), Accessed 6/27/17)
- **Telefund Was Cited Six Times By Three Different State Regulators And Fined \$21,000 For Fundraising Violations Between 2007 And 2009.** (Center For Investigative Reporting [Website](#), Accessed 6/28/17)

**SPLC Has Also Employed “Donor Services Group,” A Telemarketing Firm That Has Earned Millions From Democratic Sources And Repeatedly Been Cited For Fundraising Violations:**

**SPLC Paid Donor Services Group At Least \$139,407 Between 2010 And 2012 For Telemarketing Services.**

SPLC retained Donor Services Group as a telemarketer and paid the firm \$18,356 in 2010, \$58,483 in 2011, and \$62,568 in 2012. (Southern Poverty Law Center, IRS Form 990, Schedule G, Fiscal Years 2010, 2011, And 2012)

- **NOTE: While Not Appearing On SPLC’s Disclosures Since 2012, Donor Services Group Shared An SPLC Facebook Post In February 2017.** (Donor Services Group, [Facebook Post](#), 2/7/17)



- **Donor Services Group Has Been Paid Millions Of Dollars By The DNC, The DCCC, And President Obama’s Re-Election Campaign.** In 2014, Donor Services Group collected more

than \$2.5 million from the DNC, the DCCC, and Sen. Al Franken’s (D-MN) campaign. In 2012, Donor Services Group collected more than \$2.6 million from Obama for America, the Obama Victory Fund, and the DCCC. (OpenSecrets.org, [2012](#) And [2014](#) Cycle FEC Records, Accessed 6/27/17)

- **2015 Report: Donor Services Group “Has Been Cited 16 Times In Two States And [Fined] \$8,000 For Fundraising Violations Over A Period Of Six Years.”** “Donor Services Group, based in Hollywood California, has been asking people for money for 30 years, according to its website. The company took in \$22 million for New York charities in 2013. It kept \$11 million. The company has been cited 16 times in two states and [fined] \$8,000 for fundraising violations over a period of six years.” (“Charity Or Scam?” [Syracuse.com](#), 3/5/15; Center For Investigative Reporting [Website](#), Accessed 6/28/17)

**SPLC Employs “Harris Marketing Group” (F/K/A “Harris Direct”), A Telemarketing Firm That Has Worked For The DNC And The Obama Campaign:**

**SPLC Has Paid Harris More Than \$700,000 Over The Most Recent Five Years.** According to SPLC’s tax filings, it paid Harris Marketing Group (or Harris Direct) \$151,773 in fiscal 2011, \$89,251 in fiscal 2012, \$192,928 in fiscal 2013, \$51,988 in fiscal 2014, and \$214,127 in fiscal 2015. (Southern Poverty Law Center, IRS Form 990, Schedule G, Part I, Fiscal Years 2011 To 2015)

- **Harris Direct Collected Just Shy Of \$1 Million From The DNC, Obama For America, And The Obama Victory Fund During The 2012 Election Cycle.** ([OpenSecrets.org](#), Accessed 6/27/17)
- **Harris Direct Was Cited Ten Times By Florida Regulators And Fined \$5,000 For Fundraising Violations Between 2006 And 2013.** (Center For Investigative Reporting [Website](#), Accessed 6/28/17)

**FIRMS WITH INTELLIGENCE COMMUNITY TIES**

**SPLC Recently Paid Over Half A Million Dollars To A Pentagon And Intelligence Community Contractor That Uses Artificial Intelligence To Predict Future Events:**

**In Fiscal 2015, SPLC Paid \$549,210 To A Company Called PlanetRisk, Inc.** IRS filings indicate the contract paid for “big data platform and customization” and that PlanetRisk was the third-highest-paid vendor for SPLC that year. (Southern Poverty Law Center, [2015 Form 990](#), Schedule G)

PLANETRISK, INC. 8280 GREENSBORO DRIVE, MCLEAN, VA 22102	BIG DATA PLATFORM AND CUSTOMIZATION	549,210.
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**PlanetRisk Is An “Enterprise Risk Analytics Company” That Combines “Big Data” With “Geospatial Intelligence” To Forecast Events On A “Global Scale.”** “PlanetRisk is an enterprise risk analytics company that delivers comprehensive analytics that combines the more normal structured and unstructured big data with geospatial intelligence, position, and contextual awareness. ... Our holistic solution accelerates the aggregation of data globally to deliver actionable intelligence that interprets the connections between seemingly unconnected events – enabling organizations to recognize hidden patterns, detect anomalies and forecast future conditions on a local, national or global scale.” ([PlanetRisk.com](#), Accessed 6/27/17)

- **“The Company’s Capabilities Are In Enterprise Risk Analytics, Geospatial Predictive Modeling, Big Data Engineering And Visualization...”** ([PlanetRisk.com](http://PlanetRisk.com), Accessed 6/27/17)
- **“PlanetRisk Supports The Departments Of Defense, Homeland Security And Justice; The Intelligence Community; State And Local Agencies; And The Private Sector.”** ([PlanetRisk.com](http://PlanetRisk.com), Accessed 6/27/17)
- **PlanetRisk Is Based In McLean, Virginia, Which Is Also The Home Of The Central Intelligence Agency.** ([CrunchBase.com](http://CrunchBase.com), Accessed 6/27/17; [CIA.gov](http://CIA.gov), Accessed 6/27/17)

**The Company’s “Algorithms Use Artificial Intelligence And Machine Learning To Provide Actionable Intelligence On The Probability Of Future Events...”** “PlanetRisk’s predictive modeling algorithms use artificial intelligence and machine learning to provide actionable intelligence on the probability of future events or outcomes. High-performance predictive algorithms analyze multiple sources of data in real-time, revealing hidden connections, trends and patterns. PlanetRisk presents this data with an in-depth understanding of what our clients need to support situational awareness, threats and vulnerabilities to aid customers in reducing risks.” ([PlanetRisk.com](http://PlanetRisk.com), Accessed 6/27/17)

**In Early 2017, PlanetRisk Was Awarded Prime Position On A \$6 Billion Pentagon Logistics Contract.** “PlanetRisk announced today that it has been awarded a prime position on a multiple-award, indefinite delivery/indefinite quantity (IDIQ) contract with a \$6 billion ceiling value to provide information technology (IT), technical, and management expertise in support of the Defense Logistics Agency’s (DLA) Information Operations Office (J6), program offices, and other Department of Defense (DoD) agencies. The eight-year J6 Enterprise Technology Services (JETS) contract allows PlanetRisk to provide a broad range of technology services to enable DLA in its mission to support US warfighters worldwide.” (PlanetRisk, [Press Release](#), 2/8/17)

## CONTRACTORS WITH UNCLEAR RESULTS

### **SPLC Paid A Respected Civil Rights Filmmaker \$375,000 For “Film Production” In 2013-2014; It Is Not Clear If The Center Ever Used Any Of His Work:**

**In Its 2013 Fiscal Year, SPLC Paid \$375,000 For “Film Production” To A Brooklyn-Based Company Called “LakeHouse Films.”** (SPLC, 2013 IRS [Form 990](#), Part VII, Section B)

<b>Section B. Independent Contractors</b>		
<b>1</b> Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year		
(A) Name and business address	(B) Description of services	(C) Compensation
GRASSROOTS CAMPAIGNS INC 1321 15TH STREET SUITE 100 DENVER CO 80202	TELEMARKETING	1,901,186
CENTRIC DIGITAL LLC 228 PARK AVENUE SOUTH 30545 NEW YORK NY 10003	WEBSITE DEVELOPMENT & SUPPORT	825,282
NAMES IN THE NEWS 180 GRAND AVE SUITE 1545 OAKLAND CA 94612	LIST RENTAL, MERGE/PURGE SERVICES	530,448
TELEFUND INC P O BOX 2366 DENVER CO 80201	TELEMARKETING	422,933
LAKEHOUSE FILMS 68 JAY STREET SUITE 319 BROOKLYN NY 11201	FILM PRODUCTION	375,000

**LakeHouse Films Is The Production Company Of Orlando Bagwell, Who Heads The Documentary Program At Cal-Berkeley And Is An Accomplished Civil Rights Filmmaker.** “Orlando Bagwell’s work represents some of the industry’s most influential films about the civil

rights movement and the history of American race relations. He is best known for producing and directing Citizen King, a PBS documentary about the life of Dr. Martin Luther King, and Eyes on the Prize, the 14-part series about the civil rights movement. ... At UC Berkeley, Bagwell is the director of the documentary program.” (Orlando Bagwell [LinkedIn Page](#), Accessed 6/27/17; University Of California At Berkeley [Website](#), Accessed 6/27/17)

- **NOTE: The Company Is Registered As “Lakehousefilms Inc.” And Was Incorporated In New York In March 2013.** (New York Department Of State [Website](#), Accessed 6/27/17)

**Writer Kwyn Bader, Who Says He Worked On The Project In 2014, States The Funding Was For A Film “On The 1965 Voting Rights Protests And Marches In Selma...”** “In the spring of 2014, Kwyn, eager to work with [Bagwell], found himself writing a detailed film treatment on the 1965 Voting Rights protests and marches in Selma, Alabama through the first person POV of the children, students and young adults who actively participated in the demonstrations. ... The treatment enabled the project to receive full funding from the Southern Poverty Law Center for a follow-up to its Oscar Award-winning documentary “The Children’s March.” (Kwyn Bader, Personal [Website](#), Accessed 6/27/17)

- **Bader’s Website Describes The Film As “Voting Rights Documentary (Not Yet Titled).”** (Kwyn Bader, Personal [Website](#), Accessed 6/27/17)

**In 2015, SPLC Released A 40-Minute “Voting Rights Documentary” Called “Selma: The Bridge To The Ballot,” Which Seems To Be The Project On Which Bagwell Worked.** “As the nation heads into the first presidential election since the U.S. Supreme Court gutted a key provision of the Voting Rights Act of 1965, more than 500 people gathered in Minneapolis last night for a screening of [SPLC’s] voting rights documentary, Selma: The Bridge to the Ballot. ... During the event, a voter registration drive was held. ... The SPLC has hosted a number of similar community screenings since the film was released last year.” (“SPLC Screens Voting Rights Documentary Ahead Of Election To Educate, Inspire,” [SPLCCenter.org](#), 7/21/16)

- **The Documentary Covered The Same Subject Matter As Detailed By Kwyn Bader – Who Said He Had Been Working With Bagwell On The Project.** “Despite setbacks for voting rights, [SPLC President Richard] Cohen said progress has been made since the events of the film, which chronicles the heroic teachers and students in Selma, Alabama, who sparked the voting rights movement leading up to the historic Selma-to-Montgomery march of 1965.” (“SPLC Screens Voting Rights Documentary Ahead Of Election To Educate, Inspire,” [SPLCCenter.org](#), 7/21/16)

**The Film Was Directed And Produced By Bill Brummel; No Mention Of Bagwell Or LakeHouse Films In Online Film Credits.** ([IMDB.com](#), Accessed 6/27/17)

**No Evidence Located In Online Search To Indicate Orlando Bagwell’s Involvement With Any Film Released By SPLC Since 2013.** This would not rule out a subcontract or other business arrangement by which Bagwell’s name would not be attached to the project, but no information was located that publicly links Bagwell with either the “Bridge to the Ballot” documentary or any other SPLC project since 2013, when the payment to Lakehouse Films was made. (Nexis News Search, Google Search, 6/27/17)

## RATINGS AND PROGRAM SPENDING

### ACCREDITATION AND WATCHDOG RATINGS

#### **Third-Party Ratings Organizations Have Given SPLC Mixed Reviews; Some Are Critical For Hoarding Money, Others Bestow Gold Stars:**

**CharityWatch – Formerly The American Institute Of Philanthropy – “Has Consistently Given The SPLC Its Lowest Grade Of ‘F’” For Excessive Stockpiling Of Money.** “CharityWatch (formerly the American Institute of Philanthropy), an independent organization that monitors and rates leading nonprofits for their fundraising efficiency, has consistently given the SPLC its lowest grade of ‘F’ (i.e., ‘poor’) for its stockpiling of assets far beyond what CharityWatch deems a reasonable reserve (three years’ worth of operating expenses) to tide it over during donation-lean years.” (“King Of Fearmongers,” [The Weekly Standard](#), 4/15/13)

**GuideStar And Charity Navigator Give SPLC Positive Reviews Overall.** GuideStar lists SPLC as a “Gold Star” participant for its commitment to transparency, while Charity Navigator lists SPLC in its “Top Charities” database, awarding the group 3 out of 4 stars. ([GuideStar.org](#) And [CharityNavigator.org](#), Accessed 6/30/17)

#### **SPLC Is Not Accredited By The Better Business Bureau; BBB Standards On Assets-To-Expenses Ratio Would Make Accreditation A Challenge:**

**SPLC Is Listed As “Did Not Disclose” By Better Business Bureau.** “This charitable organization either has not responded to written BBB requests for information or has declined to be evaluated in relation to BBB Standards for Charity Accountability. Charity participation in BBB review is voluntary. However, without the requested information, it is not possible to determine whether this charity adheres to all of the BBB Standards for Charity Accountability.” (Better Business Bureau “Wise Giving Alliance” [Website](#), Accessed 6/30/17)

**Among Other Standards, BBB Asserts That A Charity’s Unrestricted Net Assets Should Not Be Greater Than Roughly Three Times The Size Of Past Year’s Expenses.** “Accumulating Funds - Avoid accumulating funds that could be used for current program activities. To meet this standard, the charity's unrestricted net assets available for use should not be more than three times the size of the past year's expenses or three times the size of the current year's budget, whichever is higher.” (Better Business Bureau “Wise Giving Alliance” [Website](#), Accessed 6/30/17)

- **SPLC’s Unrestricted Net Assets Are Seven Times Larger Than Its Annual Expenses.** In fiscal 2015, SPLC reported \$322.3 million in unrestricted net assets and \$45.8 million in total expenses. (Southern Poverty Law Center, 2015 IRS [Form 990](#), Part I, Line 8 And Part X, Line 27)

#### **Given Size Of SPLC’s Assets, The Group Would Need To Make “A Clear Statement” Of Assets-To-Expenses Ratio In Its Direct Mail Appeals In Order To Meet BBB Standards.**

“Organizations that have available unrestricted net assets in excess of the amount permitted under the standard, and for which BBB WGA has found no extenuating circumstances, can meet the standard if they implement all of the following proposed disclosure requirements: ... (a) Direct Mail Appeals: Include in direct mail appeals a clear statement of the organization's



unrestricted net assets in relation to its typical annual expenses.” (Better Business Bureau “Wise Giving Alliance” [Website](#), Accessed 6/30/17)

## **BREAKDOWN OF EXPENSES**

### **Spending 60-65% Of Expenses On Program Services Is Generally Regarded As Minimum Acceptable Threshold For Charities; SPLC Meets That Standard, But Not By Much:**

**Discounting One Outlier Year, SPLC’s Program Services Expenses Have Ranged Between 63.5% And 69.6% Since Fiscal 2000, According To Charity Navigator.** SPLC’s program services expenses dipped to 55.7% in fiscal 2012, but rebounded to 65.3% the next year. In the most recent year, according to Charity Navigator, SPLC spent 64.6% on program services, 22.1% on fundraising, and 13.2% on administration. ([CharityNavigator.org](#), Accessed 6/30/17)

**Charity Navigator: 90% Of Charities Allocate At Least 65% Of Expenses To Program Services.** “Our data shows that 7 out of 10 charities we’ve evaluated spend at least 75% of their budget on the programs and services they exist to provide. And 9 out of 10 spend at least 65%. We believe that those spending less than a third of their budget on program expenses are simply not living up to their missions.” ([CharityNavigator.org](#), Accessed 6/28/17)

- **CharityWatch: “A Program [Services] Percentage Of 60% Or Greater... [Is Among] The Minimum Efficiency Standards Reasonable For Most Charities.”** ([CharityWatch.org](#), Accessed 6/29/17)
- **NBC News: “The Better Business Bureau Mandates That Charities Spend At Least 65 Percent Of Total Expenses On Program Activities.”** “The average charity spends 75 percent of their budget on programs, while the remaining money goes to cover overhead costs like fundraising, Sandra Miniutti, with Charity Navigator, told NBC News. The Better Business Bureau mandates that charities spend at least 65 percent of total expenses on program activities. (“Salvation Army Red Kettles By The Numbers,” [NBC News](#), 12/24/15)

### **While SPLC Is Within Acceptable Range For Program Service Expenses, Questions Exist About Its Accounting Treatment Of Joint Fundraising Costs:**

**Notes To SPLC’s Audited Financial Statements Disclosed Nearly \$8 Million In “Joint Costs” For The Year Ending October 31, 2016.** “Activities and the production of materials which combine development, education, and management functions are allocated to the program and supporting services on the basis of the content of the material, the reason for its distribution, and the audience to whom it is delivered. The Center incurred joint costs of \$7,983,475 for educational materials and activities as part of fundraising appeals during the year ended October 31, 2016.” (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/16, p. 14)

- **SPLC’s 2015 Form 990 Reports Only \$7 Million In Joint Costs, Roughly \$1 Million Less Than The Financial Statements; No Explanation Located For Discrepancy.** (Southern Poverty Law Center, [2015 Form 990](#), Part IX, Line 26)

**The Audited Financial Statements Indicate SPLC May Have Booked \$3.7 Million In Fundraising Expenses As Program Expenses And Another \$1.7 Million As Management**

**Expenses.** “Of those costs, \$1,686,842 was allocated to management and general expense, \$2,568,847 was allocated to development expense, and \$3,709,786 was allocated to program expense.” (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/16, p. 14)

- **These Adjustments Would Significantly Impact SPLC’s Rating; The Group Reported Roughly \$9.7 Million In Fundraising Expenses For Fiscal 2015.** (Southern Poverty Law Center, [2015 Form 990](#), Part I, Line 16b)

**CharityWatch: While Permissible, Joint Costs Are Often Used “As A Way Of Inflating [Nonprofits’] Reported Charitable Program Spending And Deflating Their Reported Fundraising Costs.”** “In nonprofit financial reporting, the funds spent on telemarketing, direct mail, or other solicitation activities that also include an ‘action step’ or ‘call to action’ are referred to as ‘Joint Costs.’ Charities often use joint costs as a way of inflating their reported charitable program spending and deflating their reported fundraising costs. Although the use of this accounting ‘trick’ is often perfectly in line with the accounting rules for the reporting of joint solicitation costs ... these rules allow for many interpretations and judgments that can produce questionable results.” (“Accounting Rules Allow Nonprofits Discretion In The Reporting Of Joint Costs,” [CharityWatch](#), 4/16/13)

- **Using Joint Costs “Makes It Relatively Simple For Charities To Disguise The Costs Of Fundraising As Program Services...”** “[T]he interpretation of the purpose, audience, and content criteria for joint costs makes it relatively simple for charities to disguise the costs of fundraising as program services that most donors would not think of as the types of charitable programs they hope their contributions are being used to fund.” (“Accounting Rules Allow Nonprofits Discretion In The Reporting Of Joint Costs,” [CharityWatch](#), 4/16/13)
  - **Example: In Fiscal 2015, SPLC Allocated More Of Its Postage And Printing Costs To “Program Services” Than It Did To Fundraising.** According to SPLC’s audited financial statements, program services accounted for \$1,776,318 in combined spending for postage and printing, compared with \$1,771,170 in combined postage and printing expenses allocated to its fundraising operation. (Southern Poverty Law Center, Statement Of Functional Expenses, [Financial Statements](#), 10/31/16, p. 10)

Expense	Program Services	Development
Postage	\$1,183,971	\$1,211,010
Printing	\$592,347	\$560,160
<b>Total</b>	<b>\$1,776,318</b>	<b>\$1,771,170</b>

- **The Criteria For Allocating Joint Costs “Are Subjective In Nature And Therefore, Leave Room For Biased Interpretation By The Charity.”** “Joint cost accounting rules require that certain criteria related to ‘purpose,’ ‘audience,’ and ‘content’ be met before joint costs are allocated to charitable program functions. The criteria, however, are subjective in nature and therefore, leave room for biased interpretation by the charity. ... This decision is made by the charity, which again raises the question of objectivity discussed above.” (“Accounting Rules Allow Nonprofits Discretion In The Reporting Of Joint Costs,” [CharityWatch](#), 4/16/13)
  - **Example: SPLC’s Model Meant Only 32% Of Its 2015 Joint Costs Were Reported As A Fundraising Expense; 68% Allocated Elsewhere.** “The Center incurred joint costs of

\$7,983,475 for educational materials and activities as part of fundraising appeals during the year ended October 31, 2016. ... \$2,568,847 was allocated to development expense...” (Southern Poverty Law Center, Notes To [Financial Statements](#), 10/31/16, p. 14)

**Observers Note SPLC’s Program Expenses Would Be Measurably Smaller Without The Benefit Of The Joint Costs Accounting Scheme.** “[CharityWatch] ... notes that the SPLC takes advantage of an accounting rule that permits nonprofits to count some of their fundraising expenses as ‘public education’ if, for example, a mailer contains an informational component. CharityWatch, ignoring that accounting rule, maintains that only 60 percent—about \$19 million—went to program services during the year in question [fiscal 2011].” (“King Of Fearmongers,” [The Weekly Standard](#), 4/15/13)

## LITIGATION COSTS

### **SPLC’s Litigation Costs – Excluding Salaries And Related Expenses – Are Regarded As Low For An Organization Of Its Size:**

**SPLC Lists 23 Active Cases On Its Docket As Of July 1, 2017; Weeks Earlier, Morris Dees Said The Group Has 48 Lawyers On Staff.** DEES: “Today we have 48 lawyers and about 275 employees teaching programs nationwide in over 100,000 schools, which is most of the schools in the country. And we do cases all over the country, not just Southern.” (“Case Docket,” [SPLCenter.org](#), Accessed 7/1/17; [Colorado Springs Independent](#), 5/10/17)

**Philanthropy Roundtable VP: “The Southern Poverty Law Center Does Shockingly Little Litigation.”** “Though it styles itself as a public-interest law firm, the Southern Poverty Law Center does shockingly little litigation, and only small amounts of that on behalf of any aggrieved individuals. Its two largest expenses are propaganda operations: creating its annual lists of ‘haters’ and ‘extremists,’ and running a big effort that pushes ‘tolerance education’ through more than 400,000 public-school teachers.” (Karl Zinsmeister, “Some People Love To Call Names,” [Philanthropy Roundtable](#), Undated, Accessed 6/30/17)

**Excluding Salaries And Related Expenses, SPLC Spent Less Than \$1.9 Million On Litigation-Related Costs Last Year.** (Southern Poverty Law Center, 2015 IRS [Form 990](#), Part IX, Line 24d, 1/26/17)

d CASE COST EXPENSE	1,858,217.
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**SPLC Transferred More To Its Endowment Fund Last Year Alone Than It Spent On Litigation Costs Over The Last Five Years Combined.** In fiscal 2015, SPLC transferred \$10,031,491 into its endowment fund, which already held more than \$300 million. In fiscal years 2011 through 2015, SPLC reported a cumulative total of \$9,292,730 in litigation costs. (Southern Poverty Law Center, 2015 IRS [Form 990](#), Schedule D, Part V, Line 1b; Southern Poverty Law Center, IRS Form 990, Years 2011-2015, Part IX, Line 24d)

SPLC LITIGATION COSTS	
Year	Amount
2015	\$1,858,217
2014	\$2,263,182



2013	\$1,647,196
2012	\$1,876,999
2011	\$1,647,136
<b>Total</b>	<b>\$9,292,730</b>

**SPLC’s Litigations Costs Are Consistently Far Less Than Expenses For Fundraising, Postage, And Related Costs.** “The SPLC’s 2011 tax return reveals that the organization spent \$1.6 million (aside from salaries) on litigation-related costs that year, in contrast to the \$7.8 million it spent on ‘professional fundraising services,’ ‘postage and shipping cost,’ ‘printing & lettershop,’ and ‘other development cost.’” (“King Of Fearmongers,” [The Weekly Standard](#), 4/15/13)

## **GUIDESTAR CONTROVERSY**

### **GuideStar, A Prominent Provider Of Nonprofit Information, Engaged In A Short-Lived 2017 Initiative To Publicly Flag Its Profiles Of Groups On SPLC’s “Hate” List:**

**GuideStar Removed The Profile Flags In June 2017 Amid Complaints From Numerous Nonprofits And Public Figures.** “Earlier this year, in order to provide even more information to our users, we noted that 46 of the 1,676,746 active nonprofit groups we track had been flagged by the Southern Poverty Law Center, a long-standing civil rights advocacy organization. In the weeks and months since, we have heard from both supporters and critics of this decision, many of whom have presented reasonable disagreements ... Dismayingly, a significant amount of the feedback we’ve received in recent days has shifted from constructive criticism to harassment and threats directed at our staff and leadership. With this development in mind—driven by both our commitment to objectivity and our concerns for our staff’s wellbeing—we have decided to remove the SPLC annotations from these 46 organizations for the time being.” (“Update Regarding SPLC Flags On GuideStar Nonprofit Profiles,” [GuideStar.org](#), 6/23/17)

**GuideStar Calls Itself A “Public Charity That Collects, Organizes, And Presents [Information] ... While Remaining Neutral.”** “Many people think that we are a charity evaluator or a watchdog. We aren’t. Instead, we are a 501(c)(3) public charity that collects, organizes, and presents the information you want in an easy-to-understand format while remaining neutral.” (“About Us,” [GuideStar.org](#), Accessed 6/30/17)

**GuideStar CEO Jacob Harold, June 2017: “Let Me Be Clear, GuideStar Does Not Engage In Partisan Politics.”** “Let me be clear, GuideStar does not engage in partisan politics. Our staff includes Republicans, Democrats, and Independents; our people and our data reflect the diversity of American society.” (Jacob Harold, “GuideStar And Data From The SPLC,” [GuideStar.org](#), 6/15/17)

### **During The 2016 Campaign, CEO Jacob Harold Wrote An Article Favorably Comparing The Clinton Foundation To Trump’s Foundation – Without Disclosing He Was A Clinton Donor:**

**In September 2016, Harold Authored A Comparative Analysis Of The Clinton And Trump Foundations; He Noted That GuideStar “Takes No Position On Elections.”** “GuideStar takes no position on elections and we will not comment on Hillary Clinton or Donald Trump as candidates for the presidency. We have, however, been repeatedly asked about the Trump and Clinton Foundations. Accordingly, we would like to offer a few notes of analysis on their

structure, size, strategy, and transparency practices.” (Jacob Harold, “A Brief Analysis Of The Clinton And Trump Foundations,” [GuideStar.org](https://www.guidestar.org), 9/12/16)

**Harold Did Not Disclose To Readers That He Had Donated \$1,000 To Clinton’s Campaign Six Weeks Earlier.** Harold donated \$1,000 to Hillary Clinton’s presidential campaign on July 31, 2016. Harold listed his occupation as “nonprofit executive” at “GuideStar USA.” ([OpenSecrets.org](https://www.opensecrets.org), Accessed 6/30/17; [FEC.gov](https://www.fec.gov), Accessed 6/30/17)

HAROLD, JACOB WASHINGTON, DC 20009	GUIDESTAR USA	07-31-2016	\$1,000.00	Clinton, Hillary (D)
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- **Harold Previously Donated A Total Of \$900 To President Obama’s 2008 And 2012 Campaigns.** ([OpenSecrets.org](https://www.opensecrets.org), Accessed 6/30/17)
- **After The Election, Harold Shared A Photo Of Himself Marching In The 2017 Inauguration Protests In Washington.** (@[jacobcharold](https://twitter.com/jacobcharold), 1/23/17)

**Within The Article Itself, Harold Emphasized The Need For Transparency In The Nonprofit Space.** “Transparency is not a guarantee of effectiveness—but, in general, we believe that transparency is correlated with excellence in nonprofits. Transparency indicates an openness to questions and accountability. And, importantly, the act of transparency can force an organization to be clear about its goals and strategy.” (Jacob Harold, “A Brief Analysis Of The Clinton And Trump Foundations,” [GuideStar.org](https://www.guidestar.org), 9/12/16)

**Harold’s Analysis Positioned The Clinton Foundation Favorably Against Trump’s Foundation And Stated There Was “Little Evidence” For Clinton Foundation Critiques:**

**Harold Insisted There Was “Little Evidence To Support [The] Claim” That Clinton Foundation Donations Affected Secretary Clinton’s State Department Work.** “Fundraising at this scale takes place in a rarefied social circle. Each of these families—the Clintons, the Bushes, and the Trumps—must navigate a tangle of relationships with wealthy individuals. These relationships have caused some to claim that fundraising for the Clinton Foundation compromised Clinton’s role as Secretary of State. There appears, though, to be little evidence to support this claim. ... A fair argument can be made that the Clinton Foundation should have been more aggressive in dealing with the perception of potential conflict.” (Jacob Harold, “A Brief Analysis Of The Clinton And Trump Foundations,” [GuideStar.org](https://www.guidestar.org), 9/12/16)

**Harold Wrote That The Clintons Had Donated “A Far Higher Proportion Of Their Wealth” To Charity And Called Their Foundation Fundraising “Remarkable.”** “All told, the data at hand would suggest that the Clinton family has—at least over the last several years—donated more money (and at a far higher proportion of their wealth) than the Trump family. Similarly, it appears clear that the Clintons have out-raised Trump. The Clintons’ fundraising for their foundation is one aspect of a broader fundraising portfolio totaling \$3 billion over the last four decades. This is a remarkable number but they are not alone operating at this level: the Bush family raised \$2.4 billion over a similar period. Trump has certainly helped raise money for both charitable and electoral efforts, but the total is undoubtedly less than the Clintons’.” (Jacob Harold, “A Brief Analysis Of The Clinton And Trump Foundations,” [GuideStar.org](https://www.guidestar.org), 9/12/16)

**Harold Noted The Clinton Foundation Earned A “Platinum” Seal For Transparency From GuideStar And That The Trump Foundation Had Not.** “Some 34,997 organizations have provided enough [information] to get one of GuideStar’s four ‘transparency seals’; of those, 1,061 have earned the highest level, Platinum. The Clinton Foundation is one of them. The Trump Foundation has provided no additional information and so has not earned a transparency seal.” (Jacob Harold, “A Brief Analysis Of The Clinton And Trump Foundations,” [GuideStar.org](http://GuideStar.org), 9/12/16)

**Harold Directly Cited *The Washington Post*’s Criticism Of Trump’s Charitable Activity; He Cited No Similar Direct Criticism Of The Clinton Foundation.** “The Clinton family’s tax returns suggest that the majority of its charitable giving has been through the Clinton Foundation. Without access to Mr. Trump’s tax forms it is difficult to know the scale of his charitable activities outside the Trump Foundation. But it does appear that the dollars have not matched the pledges. An investigation by the Washington Post has not been able to validate that Trump has actually donated the money he pledged ... Indeed, David Farhenthold of the Post has suggested that the Trump Foundation has transformed over the last decade from ‘standard-issue rich person’s philanthropy into a charity that allowed a rich man to be philanthropic for free.’” (Jacob Harold, “A Brief Analysis Of The Clinton And Trump Foundations,” [GuideStar.org](http://GuideStar.org), 9/12/16)

**Harold Criticized The Trump Foundation’s Giving As “Unfocused” And Said It Did Not “Meet The Standard” Of Strategic Philanthropy.** “The fact that the Clinton Foundation provides such metrics makes it far easier for donors and citizens to meaningfully analyze the institution’s value to society. The Trump Foundation provides no such metrics. Any analysis must therefore be based on the content of publicly available tax forms. These forms appear to indicate an unfocused generosity. ... There is nothing inherently wrong with sprinkling many small grants in unrelated areas. But the Trump Foundation’s approach would certainly not meet the standard of focused, proactive grantmaking commonly called ‘strategic philanthropy.’” (Jacob Harold, “A Brief Analysis Of The Clinton And Trump Foundations,” [GuideStar.org](http://GuideStar.org), 9/12/16)

**GuideStar Was Also Featured As A Partner In A Clinton Foundation “Commitment To Action” Launched In 2011:**

**In 2011, GuideStar – Alongside Charity Navigator And Others – Partnered With The Founder Of Craigslist In A Clinton Foundation “Commitment To Action” Touted On The Foundation’s Website.** “In 2011 Craig Newmark and craigconnects committed to launch a one year series of crowd-sourced grant campaigns to engage the global grassroots community in identifying and supporting organizations in three distinct topic areas: US Veterans, US Journalism Integrity and Outreach to the Islamic world. Through the campaigns, Craig Newmark and craigconnects aimed to increase social media followers and donations to participating nonprofits, including organization that are working with veterans and military families by 10 percent.” (Clinton Foundation [Website](http://Website), Accessed 6/30/17)

<b>Commitment</b> Issue-based Grant Challenges	<b>Region</b> Northern America	<b>Commitment by</b> craigconnects
<b>Launched</b> 2011	<b>Countries</b> United States	<b>Partner(s) of the Commitment Maker(s)</b> Iraq and Afghanistan Veterans of America, GuideStar, Intrepid Travel, GreatNonprofits, Bob Woodruff Foundation, Blue Star Families, Razoo, Charity Navigator
<b>Est. Duration</b> 1 year		
<b>Estimated Total Value</b> \$355,000		

**According To The Center For Responsive Politics, All Federal Political Donations From Citizens Listing “GuideStar USA” As Their Employer Have Gone To Democrats:**

**Democrat Candidates Benefited From All \$4,260 In Federal Contributions From 2008-Present From Donors Listing “GuideStar USA” As Their Employer.** (Donor Employer Search For “GuideStar USA,” [OpenSecrets.org](http://OpenSecrets.org), 6/30/17)

NAME	OCCUPATION	RECIPIENT	AMOUNT	DATE
MOORE, DANIEL	GUIDESTAR USA, INC.	Obama, Barack (D)	\$250	10/23/08
MCLEAN, CHARLES	GUIDESTAR USA	Perriello, Tom (D)	\$250	10/7/10
MCLEAN, CHARLES	GUIDESTAR USA	Powell, Wayne (D)	\$500	8/9/11
MCLEAN, CHARLES	GUIDESTAR USA	Kaine, Tim (D)	\$250	9/30/11
MCLEAN, CHARLES	GUIDESTAR USA	Obama, Barack (D)	\$250	3/21/12
MCLEAN, CHARLES	GUIDESTAR USA	Obama, Barack (D)	\$250	8/15/12
MCLEAN, CHARLES	GUIDESTAR USA	Powell, Wayne (D)	\$250	8/29/12
MCLEAN, CHARLES	GUIDESTAR USA	Kaine, Tim (D)	\$500	8/29/12
MCLEAN, CHARLES	GUIDESTAR USA	Powell, Wayne (D)	\$250	9/26/12
MCLEAN, CHARLES	GUIDESTAR USA	Kaine, Tim (D)	\$500	9/26/12
HAROLD, JACOB	GUIDESTAR USA	Clinton, Hillary (D)	\$1,000	7/31/16
CASSADY, CODY	GUIDESTAR, USA	Ossoff, Jon (D)	\$10	1/29/17
			<b>\$4,260</b>	

**NOTE: According To GuideStar’s 2014 IRS Filing, Charles McLean Was Vice President Of Research And Earned At Least \$136,440 In Compensation.** (GuideStar USA Inc., 2014 IRS [Form 990](#))

(15) Charles McLean	40.00								
Vice Pres. Research					X	119,316.	0.	17,124.	

## STATE-LEVEL OPERATIONS

### OFFICE LOCATIONS

**SPLC Has Offices In Five Southern States; Four Of Those States Are Served By Republican Attorneys General:**

**SPLC Has Offices In Alabama, Georgia, Florida, Louisiana, And Mississippi; Only Mississippi Has A Democratic Attorney General.** “[SPLC is] based in Montgomery and [we] have offices in Atlanta, Miami, New Orleans, and Jackson, Miss.” ([SPLCcenter.org](http://SPLCcenter.org), Accessed 7/1/17; National Association Of Attorneys General [Website](#), Accessed 7/1/17)

### STATES OF INTEREST

**Alabama’s Attorney General Recently Assisted With Federal Case Involving Charity Telemarketing Fraud; Appears To Be Highest Profile Consumer Case In Recent Months:**

**State AG's Most-Touted Recent Case Involved A Federal Investigation Of Telemarketing Fraud Assisted By Alabama And Numerous Other States In Supporting Roles.** "The Attorney General is searching for possible victims of a charity scam that has circulated throughout Alabama and several other states. Alabama Attorney General, Luther Strange released a statement saying that Gary R. Tomey ... [was convicted] in Florida for conspiracy to commit mail and wire fraud and for mail fraud in connection with his telemarketing scheme. The Attorney General's office assisted the U.S. Attorney's Office in Florida with the prosecution back in May." ("Attorney General Seeks Victims Of Possible Charitable Fraud Scheme," [AL.com](#), 8/16/16)

- **Target Of The Investigation Instructed Telemarketers To Lie To Potential Donors; An Estimated 90% Of Proceeds Went To Salaries And Business And Personal Expenses.** "Tomey ran a telemarketing scheme ... [that] instructed employees to fraudulently tell donors that the solicitors were volunteers, that 100 percent of their donations went to the charity, and that all funds raised would help children in the state where the donor lived. An investigation into the charity showed that less than 10 percent of the more than \$2 million received in charitable donations went to charitable causes. The bulk of the money went toward employee salaries, business expenses and Tomey's personal expenses." ("Attorney General Seeks Victims Of Possible Charitable Fraud Scheme," [AL.com](#), 8/16/16)

**Grassroots Campaigns – SPLC's Largest Fundraising Vendor – May Not Be Currently Registered In Alabama; Professional Solicitors Are Required To Register.** "Alabama law requires professional fundraisers, professional solicitors, and commercial co-venturers to register with the Attorney General's Office. Professional fundraisers are businesses that solicit contributions on behalf of charitable organizations for compensation or other consideration. Professional solicitors are employed or compensated by a professional fundraiser to solicit contributions for charitable purposes." (Alabama Attorney General [Website](#), Accessed 7/1/17)

- **No Results For "Grassroots Campaigns" In State Database Of Registered Professional Fundraisers.** ([Registration/License Search](#), Alabama Attorney General Website, Accessed 7/1/17)

**Florida's Regulators Regularly Issue Fines "For Late Paperwork" And Minor Infractions, But The State Infrequently Takes Major Compliance Actions Against Nonprofits:**

**"Florida Reported Enforcement Actions — Including Fines, Suspensions And Revocations — Against More Than 370 Charitable Organizations [In 2015] Alone."** ("Georgia's Charity Enforcement Lags Other States," [The Atlanta Journal-Constitution](#), 12/24/15)

**Tampa Bay Times, 2013: "Florida Has Issued Hundreds Of Fines For Late Paperwork, But Has Blocked Only A Handful Of Charities From Soliciting In The State Over The Past Decade."** "Charity regulation offices nationwide are consumed with paperwork. They collect reams of information on charities but don't analyze it for signs of fraud. Florida has issued hundreds of fines for late paperwork, but has blocked only a handful of charities from soliciting in the state over the past decade. When states do take action they typically issue a small fine and require no admission of guilt, even for the worst offenders. The most common penalty is \$500, a small price for organizations that collect millions." ("Lack Of Regulation And Meager Penalties Allow Worst Charities To Thrive," [Tampa Bay Times](#), 6/7/13)



**No Complaints Against SPLC On File With Florida Department Of Agriculture And Consumer Services, According To Online Records.** (Florida Department Of Agriculture & Consumer Services [Website](#), Accessed 7/1/17)

SOUTHERN POVERTY LAW CENTER, INC. 400 WASHINGTON AVE, MONTGOMERY, AL 36104-4344 Phone 334-956-8200					<a href="#">Complaints 0</a> <a href="#">Details</a> <a href="#">Print</a>
License Type	License#	Issued	Expires	Status	
Charitable Organization	CH4232	03/10/94	02/03/18	Registered	

**Grassroots Campaigns – SPLC’s Largest Fundraising Vendor – May Not Be Currently Registered In Florida; Professional Fundraisers Are Required To Register.** “The Solicitation of Contributions Act requires anyone who solicits donations from people in the state of Florida to register with the Florida Department of Agriculture and Consumer Services (FDACS) and renew annually. This applies to charitable organizations, sponsors, professional solicitors and professional fundraising consultants. FDACS collects registration fees and has authority to impose penalties for noncompliance.” (Florida Department Of Agriculture & Consumer Services [Website](#), Accessed 7/1/17)

- **Online Records Indicate Grassroots Campaigns Has Not Been Registered In Florida Since June 2015.** (Florida Department Of Agriculture & Consumer Services [Website](#), Accessed 7/1/17)

GRASSROOTS CAMPAIGNS, INC. 186 LINCOLN ST STE 100, BOSTON, MA 02111-2497 Phone 617-482-6882					<a href="#">Complaints 0</a> <a href="#">Print</a>
License Type	License#	Issued	Expires	Status	
Professional Solicitor	SS17994	10/27/04	06/23/15	Not Operating in FL	

**Georgia’s Enforcement Of Nonprofit Consumer Protection Laws Has Lagged Other States; Few Prominent Orders Or Actions In Recent Years:**

**2015 Media Investigation “[Raised] Questions About How Much [The Secretary Of State’s] Office Has Been Doing Over The Years To Protect Georgians From Charity Scams.”** “In Georgia, standing between unscrupulous charities and an unwitting public is the Charities division in Secretary of State Brian Kemp’s office, which is responsible for policing how the state’s 4,600 registered charities and hired fundraisers solicit donations. But a review of records by The Atlanta Journal-Constitution raises questions about how much Kemp’s office has been doing over the years to protect Georgians from charity scams.” (“Georgia’s Charity Enforcement Lags Other States,” [The Atlanta Journal-Constitution](#), 12/24/15)

**The State Issued Only 14 Disciplinary Orders Against Charities Or Professional Solicitors Between 2010 And 2015.** (“Georgia’s Charity Enforcement Lags Other States,” [The Atlanta Journal-Constitution](#), 12/24/15; Georgia Secretary Of State [Website](#), Accessed 7/1/17)

**State Charity Enforcement Head: “To Us, The Important Thing Is Ensuring Compliance. We’re Not Trying To Do Orders If We Don’t Have To.”** “Ryan Germany, Kemp’s general counsel and assistant commissioner of Securities & Charities, said the orders reviewed by the AJC don’t reflect everything the division does. ‘I would say that we’ve got more going on now than previously, even if there’s less orders coming from our office,’ said Germany, who began overseeing Charities in early 2015. ‘To us, the important thing is ensuring compliance. We’re not



trying to do orders if we don't have to.” (“Georgia’s Charity Enforcement Lags Other States,” [The Atlanta Journal-Constitution](#), 12/24/15)

- **Official: Big Issues Like Fraud And Financial Integrity “Take A Long Time To Investigate And Then A Long Time To Prosecute, If We Go That Way.”** “We think it’s more fruitful to focus on bigger issues, in terms of fraud, misrepresentation and making sure that donor funds are used correctly,’ Germany said. ‘The problem is those take a long time to investigate and then a long time to prosecute, if we go that way.’” (“Georgia’s Charity Enforcement Lags Other States,” [The Atlanta Journal-Constitution](#), 12/24/15)
- **“Many Investigations End With The Organizations Coming Into Compliance, Generating No Enforcement Records.”** “Germany said Georgia’s charities division spends most of its time working with nonprofits and paid solicitors to make sure they’re complying with state laws. Many investigations end with the organizations coming into compliance, generating no enforcement records. Such actions aren’t being tracked, though the state has written more than a dozen letters of caution to charities and fundraisers in the past three years telling them to shape up.” (“Georgia’s Charity Enforcement Lags Other States,” [The Atlanta Journal-Constitution](#), 12/24/15)

**Grassroots Campaigns – SPLC’s Largest Fundraising Vendor – Had Its Status As A Registered Company In Georgia Revoked In 2010.** The company had not filed an annual report with Georgia regulators since 2007. The state issued a notice of dissolution to GCI in January 2010 before revoking its status in September 2010. (Georgia Secretary Of State [Website](#), Accessed 7/1/17; Certificate Of Administrative Dissolution/Revocation, Filing No. 08483417, 9/6/10)

Business Name: GRASSROOTS CAMPAIGNS, INC.	Control Number: 0424818
Business Type: Foreign Profit Corporation	Business Status: Revoked
Business Purpose:	
Principal Office Address: PO BOX 120557, BOSTON, MA, 02112, USA	Date of Formation / Registration Date: 4/23/2004
Jurisdiction: Colorado	Last Annual Registration Year: 2007

I, **Brian P. Kemp**, the Secretary of State of the State of Georgia, do hereby certify under the seal of my office that

**GRASSROOTS CAMPAIGNS, INC.**

was mailed a notice in accordance with Title 14 of the Official Code of Georgia Annotated and was involuntarily or administratively dissolved or its certificate of authority revoked by the Office of Secretary of State on **09/06/2010** for failure to file its annual registration.

**Louisiana Justice Department Has Broad Authority To Pursue Trade Practices, But Appears To Prefer Settlement; Most Activity Deals With Disaster Relief Scams:**

**State Law Gives The Attorney General Power To Prosecute Nonprofits That “Engage In Unfair Methods Of Competition, Unfair Or Deceptive Practices, Or Misrepresentation.”** “In Louisiana, the Office of the Attorney General is responsible for monitoring and assisting charitable organizations operating in the state, although there is no express statutory authority granting this responsibility. ... Title 51 of the Louisiana Revised Statutes holds the Trade and Commerce protection statutes in Louisiana. Chapter 24, the Deceptive Practices in Soliciting Charitable Contributions section, gives the Louisiana Attorney General the power to prosecute charitable organizations that ‘engage in unfair methods of competition, unfair or deceptive

practices, or misrepresentation.” (“Policing Charitable Organizations: Whose Responsibility Is It?” [Louisiana Law Review](#) [Louisiana State University], Volume 76, No. 2, Winter 2015, pp. 675-676)

- **The AG’s Consumer Protection Section Has Lead Investigative Role; “Majority Of Proceedings ... Are Settled Before Charges Are Even Filed.”** “The Consumer Protection Section (‘CPS’) of the attorney general’s office issues Civil Investigative Demands (‘CIDs’) against charities suspected of engaging in prohibited practices. Based on information obtained through a CID, the CPS will decide whether to take disciplinary actions against the alleged wrongdoer. Though the attorney general may file suit, the majority of proceedings filed against charitable organizations are settled before charges are even filed.” (“Policing Charitable Organizations: Whose Responsibility Is It?” [Louisiana Law Review](#) [Louisiana State University], Volume 76, No. 2, Winter 2015, pp. 675-676)

#### **The State’s Recent Focus Appears To Be On Charity Scams Relating To Disaster Recovery.**

“[Assistant AG Stacie] DeBlieux also discussed the types of consumer fraud that are seen following disasters and shared ways consumers can protect against fraud and scams. ‘Reliable home repair providers will not solicit business by knocking on your door,’ she said. ... DeBlieux also shared information about a mold certification scam that is occurring.” ([The Advocate](#) [Baton Rouge, LA], 9/28/16)

**Grassroots Campaigns – SPLC’s Largest Fundraising Vendor – May Not Be Currently Registered In Louisiana; Professional Fundraisers Are Required To Register.** “By law, the Louisiana Attorney General oversees the activities of professional solicitors who are contracted to raise money for charitable purposes. Professional solicitors are required to register with the office of the Attorney General 10 days before doing business in Louisiana and must renew their registration annually. The registration must be accompanied by the payment of a fee in the amount of \$150.00.” (Louisiana Attorney General’s Office [Website](#), Accessed 7/1/17)

- **Grassroots Campaigns Is Not Registered To Do Business In Louisiana, According To The Secretary Of State.** The attorney general, not the secretary of state, is responsible for registration of professional solicitors in Louisiana. A brief online search located no searchable database of registered solicitors. Secretary of state records show Grassroots Campaigns has not been registered to operate in Louisiana since 2016. (Louisiana Secretary Of State [Website](#), Accessed 7/1/17)

Status:	Inactive
Inactive Reason:	Action by Secretary of State
Qualified:	4/27/2004
Last Report Filed:	4/30/2015
Type:	Business Corporation (Non-Louisiana)

- **Louisiana Officials Have Revoked Grassroots Campaigns’ Corporate Status At Least Four Times Since 2006.** According to online records, Louisiana revoked GCI’s business license in 2006, 2010, 2014, and 2016. (Louisiana Secretary Of State [Website](#), Accessed 7/1/17)

Amendments on File (8)	
Description	Date
Revoked	9/19/2006
Reinstatement	10/8/2009
Revoked	9/17/2010
Reinstatement	5/7/2013
Revoked	9/16/2014
Reinstatement	4/30/2015
Stmnt of Chg or Chg Prin Bus Off	10/18/2015
Revoked	9/16/2016

## PUBLIC ACTIVITIES

### RECENT SPLC LEGAL ACTION

#### **SPLC Is Suing Republican Officeholders In Mississippi, Alleging Racial Inequality In Education – But Is Also Suing The State To Block Charter School Funding:**

**In An Ongoing Lawsuit, SPLC Alleges Mississippi Is Unlawfully Denying Quality Education To Black Students.** “Mississippi is denying good schools to African-American students in violation of the federal law that enabled the state to rejoin the union after the Civil War, a legal group alleged Tuesday. The Southern Poverty Law Center wants a federal judge to force state leaders to comply with the 1870 law, which says Mississippi must never deprive any citizen of the ‘school rights and privileges’ described in the state’s first post-Civil War constitution.” (“Lawsuit: Mississippi Fails To Educate Black Children Equally,” *St. Louis Post-Dispatch*, 5/24/17)

- **Report: SPLC Says State Has “Watered Down Education Protections In A White Supremacist Effort To Prevent The Education Of Blacks.”** “That law still obligates Mississippi to provide a ‘uniform system of free public schools’ for all children, but the state has instead watered down education protections in a white supremacist effort to prevent the education of blacks, the group said.” (“Lawsuit: Mississippi Fails To Educate Black Children Equally,” *St. Louis Post-Dispatch*, 5/24/17)
- **All Elected Officials Named In The Lawsuit Are Republicans.** “The named defendants include Gov. Phil Bryant, Lt. Gov. Tate Reeves, House Speaker Philip Gunn and Secretary of State Delbert Hosemann, all Republican elected officials. It also names state school Superintendent Carey Wright and the nine appointed members of the state Board of Education.” (“Lawsuit: Mississippi Fails To Educate Black Children Equally,” *St. Louis Post-Dispatch*, 5/24/17)
- **Mississippi’s Governor Called The Lawsuit “Another Attempt By [SPLC] To Fundraise On The Backs Of Mississippi Taxpayers.”** “‘This is merely another attempt by the Southern Poverty Law Center to fundraise on the backs of Mississippi taxpayers,’ the governor said in a statement. ‘While the SPLC clings to its misguided and cynical views, we will continue to shape Mississippi’s system of public education into the best and most innovative in America.’” (“Lawsuit: Mississippi Fails To Educate Black Children Equally,” *St. Louis Post-Dispatch*, 5/24/17)

#### **In 2016, SPLC Sued Mississippi To Block Funding For Charter Schools; Case Is Ongoing.**

“The Southern Poverty Law Center is suing Mississippi over how it is funding charter schools, describing it as a unconstitutional scheme that diverts public tax dollars from traditional public schools. The lawsuit filed Monday in Hinds County Chancery Court calls for the court to strike down the funding provisions of the Mississippi Charter School Act. ... The lawsuit warns that the opening of more charter schools will compound the financial harm. There are applications

pending for four more charter schools. Each charter school would be located within the Jackson Public School District, drawing more funding from the district." ("Mississippi Sued Over Charter School Funding," [The Clarion-Ledger](#), 7/12/16)

### **SPLC Lost A 2015 Lawsuit Against Florida County Sheriff's Office Over Juvenile Detention Practices And Was Required To Reimburse The County \$130,000 In Court Costs:**

**In 2015, A Federal Judge Issued A "Blistering" Ruling Against SPLC-Funded Plaintiffs Who Had Sued The Polk County Sheriff's Office Over Treatment Of Juvenile Detainees.** "On Thursday, a U.S. District Court judge handed down a blistering 182-page ruling against the claims of the plaintiffs represented by the Southern Poverty Law Center, a national nonprofit civil rights group that filed the lawsuit accusing the Sheriff's Office of using unreasonable restraints, unlawful force and punitive isolation, of being deliberately indifferent to serious medical needs and of creating dangerously violent conditions of confinement for juveniles who've been arrested but their cases haven't gone to trial." ("Judd Seeks To Recoup Defense Costs," *The Ledger* [Lakeland, FL], 4/21/15)

**After The Ruling, County Sheriff Called The Lawsuit "Frivolous" And Attempted To Recoup Taxpayer Money Spent On Court Costs And Legal Fees.** "Just days after a decisive court victory Thursday, Polk County Sheriff Grady Judd said his office is reviewing options for recovering the estimated \$1.5 million spent to defend a federal lawsuit alleging harsh conditions for juvenile detainees in the Central County Jail. 'We are going after costs and fees because there was no merit to the lawsuit, and the taxpayers of Polk County shouldn't have to defend such a frivolous action by the plaintiff,' Judd said Monday." ("Judd Seeks To Recoup Defense Costs," *The Ledger* [Lakeland, FL], 4/21/15)

- **"Judd Said The County Spent About \$1 Million Defending The Lawsuit, And The County's Insurance Company Paid Another \$500,000."** ("Judd Seeks To Recoup Defense Costs," *The Ledger* [Lakeland, FL], 4/21/15)
- **"While [SPLC] Funded The Lawsuit And Provided The Legal Representation, The Actual Plaintiffs In The Case Were Detainees At The Jail, Not The Southern Poverty Law Center."** ("Judd Seeks To Recoup Defense Costs," *The Ledger* [Lakeland, FL], 4/21/15)

**In October 2015, A Judge Denied The County's Bid To Recover Its Legal Fees From SPLC But Did Rule The Group Must Reimburse \$130,000 In County Legal Costs.** "Polk County Sheriff Grady Judd has lost his bid to recover an estimated \$1 million in legal fees from [SPLC], which sued the department on allegations that juveniles were mistreated while detained in the Polk County Jail. ... While rejecting sanctions for legal fees, [the judge] did mandate that the center reimburse the county \$130,383 in expenses related to the lawsuit, including costs for taking depositions, issuing subpoenas and obtaining daily transcripts during the month-long federal trial." ("PCSO Won't Recover \$1 Million In Legal Fees," *The Ledger* [Lakeland, FL], 10/1/15)

### **In 2012, SPLC Targeted A Veterans' Housing Facility – Run By Local Churches – By Filing A Complaint With The Labor Department Alleging Gender Discrimination:**

**SPLC's Complaint Alleged Female Veterans Were Not Provided The Same Access To Job Training In Their Separate Facility As Male Veterans.** "Female veterans staying at Steadfast

House, a housing facility run by Asheville-Buncombe Community Christian Ministry, contend in a legal filing that they are offered little or no real job training compared to veterans in ABCCM's all-male facility. ... The Southern Poverty Law Center filed a sex discrimination complaint on Wednesday with the U.S. Department of Labor against ABCCM for failing to provide female veterans with the same job training classes male veterans receive through the organization's federally funded programs, according to a news release." ("Female Vet Sues ABCCM," *The Asheville Citizen-Times*, 7/26/12)

**"ABCCM, A Coalition Of Local Churches That Provides A Variety Of Services To The Homeless And Needy, Disputed The Allegations In A Statement."** ("Female Vet Sues ABCCM," *The Asheville Citizen-Times*, 7/26/12)

**ABCCM Entered A Settlement With The Labor Department Four Years Later, Agreeing To Ensure Its Offerings At The Female-Only Facility Were Equal To The Men's Facility.** "Asheville Buncombe Community Christian Ministry agreed to the settlement with the U.S. Department of Labor's Civil Rights Center Sept. 30. It requires the ministry to revise its residential program for women, called Steadfast House, so that the center's rules, food, training classes and other offerings are equal to those offered to male veterans at ABCCM's Veterans Restoration Quarters." ("Feds Force ABCCM To Offer Equal Vet Services," *The Asheville Citizen-Times*, 10/15/16)

## HATE LIST METHODOLOGY

**SPLC Makes No Pretense Of Political Balance, With One Official Stating That The "Radical Right" Is "Uniquely Threatening To Democracy":**

**SPLC Openly Admits It Pays Little Attention To Groups And People On The Political Left; "We Are Focused, Whether People Like It Or Not, On The Radical Right."** "Heidi Beirich, the head of the SPLC's Intelligence Project, says the group's criteria are clear and transparent ... While Beirich cites several left-wing organizations the SPLC has designated as 'hate groups,' she concedes that the SPLC prioritizes the other end of the political spectrum. 'We are focused, whether people like it or not, on the radical right,' she says. 'We believe that it's uniquely threatening to democracy.'" ("Has A Civil Rights Stalwart Lost Its Way?" [Politico Magazine](#), July 2017)

**A Former SPLC Employee Admits The Group's Hate List Is Incomplete Because It Excludes Left-Wing Groups.** "'Hate group' designations are invariably going to be controversial, said Brian Levin, director of the Center for the Study of Hate and Extremism at California State University at San Bernardino and a former Southern Poverty Law Center employee. Though he believes the SPLC's list is 'principled,' Mr. Levin said it is incomplete – leaving out, for example, groups viewed as far left." ("Dozens Of 'Hate Groups' Have Charity Status, Chronicle Study Finds," [The Chronicle Of Philanthropy](#), 12/22/16)

**Philanthropy Roundtable VP Karl Zinsmeister: "SPLC's Utter Lack Of Any Reasonable Criteria ... Spreads Stigma Just By Innuendo."** "SPLC's utter lack of any reasonable criteria for who goes on its list of crazies combines effortlessly with careless reporting, and spreads stigma just by innuendo. ... But mere proximity to SPLC's arbitrary 'hate' list is enough to tar even the worthiest group." (Karl Zinsmeister, "Some People Love To Call Names," [Philanthropy Roundtable](#), Undated, Accessed 6/30/17)



**SPLC Seeks Total Destruction Of The Groups And People It Targets; “We Absolutely Take No Prisoners” And “Our Aim In Life Is ... To Completely Destroy Them”:**

**Co-Founder Morris Dees: “We Absolutely Take No Prisoners. When We Get Into A Legal Fight, We Go All The Way.”** “[Dees] has always liked a good fight. ‘I’ve had my ass whipped, and I’ve whipped a few. ... We absolutely take no prisoners. When we get into a legal fight, we go all the way. ... Ever since I’ve been a kid, I’ve always liked a good challenge.” (“The Long Crusade,” [Los Angeles Times](#) Magazine, 12/3/89)

**Senior Fellow Mark Potok: “I Want To Say Plainly That Our Aim In Life Is To Destroy These Groups, To Completely Destroy Them.”** “What is not part of an honorable American tradition is the course of action prescribed by top SPLC leader Mark Potok: ‘Sometimes the press will describe us as monitoring hate crimes and so on ... I want to say plainly that our aim in life is to destroy these groups, to completely destroy them.’” (Karl Zinsmeister, “Some People Love To Call Names,” [Philanthropy Roundtable](#), Undated, Accessed 6/30/17)

- [Click Here](#) For Video Of Potok’s Comments (1:35 Into Clip)

**A 2013 Analysis In *Foreign Policy* Detailed How SPLC Inflates The Size Of Its Hate List As Much As 70% By Counting Local Affiliates Of National Groups:**

**The Analysis Showed SPLC Counts Each Local Chapter Of National Groups As Separate Entities, Vastly Inflating The Total Number Of Groups In The Final Tally.** “The SPLC presents its hate group data by state, rather than in one unified list. When the state entries were gathered into a single spreadsheet, the total number of groups came to 1,007, as advertised. But once you get past simply counting the rows, serious questions arise. The biggest issue raised by the hate list is when a local group should be deemed a separate entity from a national group. When you go to find the raw data online, the SPLC’s site explains that it counts counted ‘1,007 active hate groups in the United States in 2012,’ including ‘organizations and their chapters.’ But ‘The Year in Hate and Extremism’ did not make the ‘chapter’ distinction explicit. It is rarely drawn out in the organization’s frequent media appearances, nor was it mentioned in a letter from the SPLC to the Justice Department warning of the growing threat.” (J.M. Berger, “The Hate List,” [Foreign Policy](#), 3/12/13)

**“When You Filter The [2013] List For Organizations With Identical Names, The List Of 1,007 Becomes A List Of 358.”** “Similarly, the American Nazi Party is listed six times, and the Council of Conservative Citizens is listed 37 times. There are many more. When you filter the list for organizations with identical names, the list of 1,007 becomes a list of 358. So why doesn’t the SPLC describe its list as 300 or 400 hate groups with 1,007 chapters around the country?” (J.M. Berger, “The Hate List,” [Foreign Policy](#), 3/12/13)

**“We’re Not Talking About A Difference Of 5 Or 10 Percent In The Relative Counts; It’s 65 Or 70 Percent.”** “Reasonable people can debate these reasons for including or disqualifying each of these listings, but the number of entries that require such debate is staggering given the specificity of the SPLC’s reporting. We’re not talking about a difference of 5 or 10 percent in the relative counts; it’s 65 or 70 percent.” (J.M. Berger, “The Hate List,” [Foreign Policy](#), 3/12/13)



**One Group “Is Listed 17 Times, With Each Of Those Instances Counting As A Separate Hate Group.”** “One of the clearest examples of how this counting methodology can be confusing concerns the American Third Position Party, or A3P, which is listed 17 times, with each of those instances counting as a separate hate group. ... We don’t say there are 102 political parties in the United States because the Republicans and Democrats each have a national party as well as state chapters (not to mention local chapters)...” (J.M. Berger, “The Hate List,” [Foreign Policy](#), 3/12/13)

**SPLC Also Includes Websites, Podcasts, And Blogs As “Groups” On Its Hate List.** “The list isn’t pristine on other fronts either. The Political Cesspool is a website and podcast, the Crocker Post is a blog, and Silver Bullet Gun Oil is a business that markets offensive tchotchkes to anti-Muslim extremists. VDARE is a white nationalist website with multiple authors, but it does not on the face of it appear to be a traditional boots-on-the-ground organization, at least not according to a profile written by the SPLC.” (J.M. Berger, “The Hate List,” [Foreign Policy](#), 3/12/13)

**Philanthropy Roundtable VP: “Most Of The Scary KKK And Nazi And Militia Groups That The SPLC Insists Are Lurking Under Our Beds Are Actually Ghost Entities...”** “Over the years, numerous investigators have pointed out that most of the scary KKK and Nazi and militia groups that the SPLC insists are lurking under our beds are actually ghost entities, with no employees, no address, hardly any followers, and little or no footprint. But “hate groups” and “extremist organizations” are great copy, especially for fundraising...” (Karl Zinsmeister, “Some People Love To Call Names,” [Philanthropy Roundtable](#), Undated, Accessed 6/30/17)

**Even Morris Dees Himself Estimates That 95% Of Hate Crimes Aren’t Committed By Hate Groups, But By “Young People” Or Disgruntled Neighbors:**

**In 2017, Dees Said: “90 Percent, 95 Percent, Of All Hate Crimes [Aren’t] Committed By Hate Groups Anyway. They’re Just Neighbors That Don’t Like Another One...”** DEES: “It always had been with hate groups, [young people are] the ones that committed most of the hate crimes. And actually about 90 percent, 95 percent, of all hate crimes [aren’t] committed by hate groups anyway. They’re just neighbors that don’t like another one or this that and the other. And so we decided we needed to teach tolerance to young people, so we set up a program called Teaching Tolerance.” (“Morris Dees On The Legacy Of His Southern Poverty Law Center,” [Colorado Springs Independent](#), 5/10/17)

**SPLC Publishes An Annual List Of “Extreme Antigovernment Groups” That Counts Single Entities Dozens Of Times And Identifies A Group In “The Villages” Retirement Community:**

**SPLC Claims A List Of “623 Extreme Antigovernment Groups” In America – While Specifically Noting It Is Not Accusing Them Of Violent Intent, Criminal Activity, Or Racism.** “The Intelligence Project identified 623 extreme antigovernment groups that were active in 2016. Of these groups, 165 were militias ... and the remainder included ‘common-law’ courts, publishers, ministries, and citizens’ groups. Generally, such groups define themselves as opposed to the ‘New World Order,’ engage in groundless conspiracy theorizing, or advocate or adhere to extreme antigovernment doctrines. Listing here does not imply that the groups themselves advocate or engage in violence or other criminal activities, or are racist.” (“Active Patriot Groups In The US In 2016,” [SPLCenter.org](#), 2/15/17)

- **“We Are Change” Is Listed 11 Times.** ([SPLCenter.org](#), Accessed 7/1/17)

- “John Birch Society” Is Listed 20 Times. ([SPLCenter.org](http://SPLCenter.org), Accessed 7/1/17)
- “Eagle Forum” Is Listed 25 Times. ([SPLCenter.org](http://SPLCenter.org), Accessed 7/1/17)
- “Constitution Party” Is Listed 42 Times – Including The Party’s [Affiliate](#) Registered At “The Villages” Retirement Community. ([SPLCenter.org](http://SPLCenter.org), Accessed 7/1/17)



- “Oath Keepers” Is Listed 44 Times. ([SPLCenter.org](http://SPLCenter.org), Accessed 7/1/17)

**The SPLC List Also Includes The Website “WorldNetDaily” And Its Sister Publishing Organization, WND Books.** Contributors to WorldNetDaily include Bill Press, Pat Buchanan, Ellen Ratner, Chuck Norris, Stephen Moore, Walter Williams, Michelle Malkin, Lt. Col. James Zumwalt, Alan Keyes, financial commentator Dave Ramsey, and others. ([SPLCenter.org](http://SPLCenter.org), Accessed 7/1/17, [WND.com](http://WND.com), Accessed 7/1/17)

## HATE LIST COMPOSITION

**SPLC’s Various Lists Of Alleged Hate Groups And Extremists Include Names That, According To Most Observers, Do Not Belong There:**

**“SPLC Has Included Senator Rand Paul And [HUD] Secretary Ben Carson Among The Neo-Nazis And White Supremacists On Its Extremists Lists...”** “The complaints have trailed the SPLC as the group has expanded beyond its crusade against racial discrimination in the South, increasingly taking up the left flank of the culture wars on issues like LGBT rights, church-state division, Islam and immigration. The new approach has prompted accusations of overreach: The SPLC has included Senator Rand Paul and Housing and Urban Development Secretary Ben Carson among the neo-Nazis and white supremacists on its extremists lists...” (“Has A Civil Rights Stalwart Lost Its Way?” [Politico Magazine](#), July 2017)

- **After Widespread Criticism, SPLC Removed Carson’s Name From The List And Issued An Apology.** ([Daily Caller](#), 2/11/15)

**SPLC’s Lists Have Included Black Statewide Officeholders, Think Tank Presidents, Former Military Officers, And The Cuban-Born Father Of A U.S. Senator.** “Others branded with a scarlet E by the SPLC and many media enablers include former Cincinnati mayor and Ohio Secretary of State Kenneth Blackwell, think-tank president Frank Gaffney, Cliff Kincaid of the press watchdog Accuracy in Media, former Lieutenant General Jerry Boykin, WorldNetDaily journalist Joseph Farah, Rafael Cruz, a Cuban immigrant and father of a U.S. Senator, legal gadfly Larry Klayman, and immigration restrictionist Dan Stein.” (Karl Zinsmeister, “Some People Love To Call Names,” [Philanthropy Roundtable](#), Undated, Accessed 6/30/17)

**Other SPLC Targets Include Members Of Congress, Cabinet Members, Philanthropists, And An Indian-American Author Born In Mumbai.** “Philanthropist Ron Unz, bestselling author

Dinesh D'Souza, regular Congressional testifier Mark Krikorian, former Senator and Governor George Allen, U.S. Attorney General Jeff Sessions, former Congressman Tom Tancredo, former Congressman and Presidential candidate Ron Paul, and scores of other public-spirited Americans ... have likewise been slurred and defined as beyond the pale by the SPLC." (Karl Zinsmeister, "Some People Love To Call Names," [Philanthropy Roundtable](#), Undated, Accessed 6/30/17)

**Liberal *Washington Post* Columnist Dana Milbank: "Absurd" For SPLC To Put An Entity Like Family Research Council "In The Same Category" As True Hate Groups.** "I disagree with the FRC's views on gay men and lesbians. But it's absurd to put the group, as the law center does, in the same category as Aryan Nations, Knights of the Ku Klux Klan, Stormfront and the Westboro Baptist Church. The center says that the FRC 'often makes false claims about the LGBT community based on discredited research and junk science.' ... Offensive, certainly. But in the same category as the KKK?" (Dana Milbank, Op-Ed, "The Left's Misfire On 'Hate Groups,'" [The Washington Post](#), 8/19/12)

- **Milbank: "[SPLC] Should Stop Listing A Mainstream Christian Advocacy Group Alongside Neo-Nazis And Klansmen."** (Dana Milbank, Op-Ed, "The Left's Misfire On 'Hate Groups,'" [The Washington Post](#), 8/19/12)

**SPLC Labeled Author And Social Scientist Charles Murray As A Racist And White Supremacist; Murray Was The Recent Target Of Violent Campus Protest In Vermont:**

**Murray Is A Published Author, AEI Scholar, And A Political Scientist With A Ph.D. From M.I.T.** "Charles Murray is a political scientist with a doctorate degree from M.I.T. The American Enterprise Institute is a Washington-based think tank devoted to 'defending human dignity, expanding human potential, and building a freer and safer world.'" (Carl Cannon, "The Hate Group That Incited The Middlebury Melee," [Real Clear Politics](#), 3/19/17)

**Murray – A White Supremacist, According To SPLC – Married An Asian Woman And Has Two Daughters With Her.** "Murray bristled at the SPLC's characterization of him and blamed it for provoking protests among college students who have failed to scrutinize his work. 'White supremacist?' he said Friday. 'Let's see: if you have a guy who was married for 13 years to an Asian woman and who has two lovely Asian daughters, wouldn't that disqualify him from membership in the white supremacist club?'" (*The Washington Post's* "[Grade Point](#)," 3/4/17)

**In 2017, Murray Was Accosted By A Mob Of Protestors At Middlebury College Before Being Forced To Flee; A Middlebury Professor Was Assaulted And Required Medical Treatment.** "Students and faculty galvanized by Dees' political organization barred Murray from speaking. They shouted him down, chanted their own manifesto, and pulled fire alarms to prevent him from being heard. When Murray and Middlebury professor Allison Stanger tried to leave the building, they were followed by protesters who accosted them physically. The professor was grabbed by the hair and her neck twisted—she was fitted with a neck brace at a hospital—and their car rocked in a way that alarmed local authorities." (Carl Cannon, "The Hate Group That Incited The Middlebury Melee," [Real Clear Politics](#), 3/19/17)

**Protesters Followed Murray To His Car – Jumping On It And Pounding The Windows – Then Trailed Him To A Nearby Inn And "Descended On It, Forcing [Him] To Retreat Again."** "When Murray reached a car, the protesters climbed on top of it, rocked it, pounded on windows,

and uprooted a stop sign to block the road. After Murray and his academic hosts finally escaped to a nearby inn, the protesters descended on it, forcing them to retreat again.” (Karl Zinsmeister, “Some People Love To Call Names,” [Philanthropy Roundtable](#), Undated, Accessed 6/30/17)

**“Witnesses Said The Confrontation Was Aggressive, Intimidating And Unpredictable And Felt Like It Was Edging Frighteningly Close To Outright Violence.”** (*The Washington Post*’s “[Grade Point](#),” 3/4/17)

***Real Clear Politics*: SPLC Galvanized The Middlebury Protesters; “[They] All Cited The SPLC As Their Sole Source For Various Slanders Against Murray...”** “Before Charles Murray’s abortive visit to Vermont, several hundred Middlebury alums signed a letter opposing his visit. They and the numerous professors and students who protested all cited the SPLC as their sole source for various slanders against Murray: He’s a racist; he favors eugenics; he’s a ‘white supremacist.’” (Carl Cannon, “The Hate Group That Incited The Middlebury Melee,” [Real Clear Politics](#), 3/19/17)

**SPLC Recently Designated Maajid Nawaz – A Liberal, Reformist Muslim – As An “Anti-Muslim” Extremist, Prompting Criticism From The Left:**

**In 2016, Liberal Muslim Scholar Maajid Nawaz Reacted With Anger And Disbelief When He Was Labeled An “Anti-Muslim” Extremist By SPLC.** “I am a brown, liberal, reform Muslim. I have survived violent neo-Nazi racism and served as a former War on Terror political prisoner in Egypt, witnessing torture. Yet, in a trip that takes us through the looking glass, the largely white American non-Muslim ‘progressive’ leadership at the pro-civil liberties group Southern Poverty Law Center (SPLC) has just published a “journalist’s field list” naming me as an ‘anti-Muslim’ extremist.” (Maajid Nawaz, Op-Ed, “I’m A Muslim Reformer Who Is Being Smeared As An ‘Anti-Muslim Extremist’ By Angry White Liberals,” *The Independent*, 10/31/16)

**“[Nawaz] Stood For Parliament As A Liberal Democrat In 2015, And Advised Prime Ministers Tony Blair, Gordon Brown, And David Cameron.”** ([The Atlantic](#), 10/29/16)

***The Atlantic* Criticized SPLC’s Targeting Of Nawaz, “Creating The Unusual Spectacle Of A Publication Founded By Abolitionists Going After A Group Founded To Fight The KKK.”** “In October, the SPLC faced explosive blowback when it included British Muslim activist Maajid Nawaz on a list of ‘anti-Muslim extremists.’ The targeting of Nawaz—a former Islamist turned anti-extremism campaigner who is considered a human rights leader by many in the mainstream—even sparked critical coverage in the *Atlantic*, creating the unusual spectacle of a publication founded by abolitionists going after a group founded to fight the KKK.” (“Has A Civil Rights Stalwart Lost Its Way?” [Politico Magazine](#), July 2017)

**Liberal Television Host Bill Maher Expressed Interest In A Lawsuit Against SPLC For “Being Assholes” By Labeling Nawaz An Extremist.** “Talk show host Bill Maher said Friday he would like to join a crowd-funded lawsuit against the Southern Poverty Law Center. The host of the HBO show ‘Real Time’ said the civil rights group ‘were being assholes’ by including British activist Maajid Nawaz on its list of ‘anti-Muslim extremists.’” (Sean Higgins, Op-Ed, “Maher Wants To Be A Part Of Lawsuit Against Southern Poverty Law Center,” [Washington Examiner](#), 6/24/17)

**Other Recent SPLC Targets Include An Octogenarian Retired Professor, A School Parents’ Group In Suburban Minnesota, And The Famous “Singing Nuns” Of Spokane, Washington:**

**In 2012, SPLC Added An 80-Year-Old Woman – Recently Retired As A Vanderbilt Professor – To Its “30 New Leaders To Watch” List Of Haters.** “Just shy of her 80th birthday, elegantly dressed in silver jewelry and a pencil skirt, retired Vanderbilt professor Virginia Abernethy doesn't appear a likely contender for emerging leader of the nation's white supremacist movement. But the Anti-Defamation League described her as an ‘unabashed white supremacist.’ The Southern Poverty Law Center calls her a ‘full-fledged professor of hate’ and added Abernethy to its list of 30 new leaders to watch on the radical right.” (“Hate Watch List Includes Retired Vanderbilt Professor,” [USA Today](#), 10/22/12)

**SPLC Named “Parents Action League” – A Parents’ Group In The Anoka-Hennepin School District, Near Minneapolis – To The Hate List In 2012.** “A national civil rights organization has named an Anoka-Hennepin school district parents' group critical of gay and lesbian lifestyles as a hate group. The Parents Action League joined the Ku Klux Knights of the Ku Klux Klan, the American Aryan Reich and Bare Naked Islam as some of the latest organizations to make the Southern Poverty Law Center's annual list.” (“Southern Poverty Law Center Names Anoka-Hennepin Parents Group To Hate List,” *St. Paul Pioneer Press*, 3/11/12)

- **“The Parents Action League Formed In 2010 In Defense Of The ... District's Contested Policy On Sexual Orientation, Which Required Teachers To Stay Neutral On Any GLBT-Related Discussion In Schools.”** (“Southern Poverty Law Center Names Anoka-Hennepin Parents Group To Hate List,” *St. Paul Pioneer Press*, 3/11/12)

**SPLC Put Mount St. Michael – The Home Parish Of Spokane, Washington’s “Singing Nuns” – On Its Hate List.** “What do the Aryan Nations, the Ku Klux Klan and the home of Spokane's Singing Nuns have in common? They're all on the Southern Poverty Law Center's map of ‘hate groups’ in the Northwest. Mount St. Michael, home to a Latin Rite or Tridentine Catholic church, school and convent north of Spokane, has been listed since 2006 by the law center as a radical traditional Catholic group and accused of anti-Semitic activities.” (“Hate Groups Watchdog Has Mount St. Michael On List,” *Spokesman Review*, 3/9/13)

- **The Nuns Considered Suing SPLC But Declined Because “They Have More Resources Than Us.”** “The Rev. Casimir Puskorius, pastor of Mount St. Michael, calls the listing ‘very unfair’ and contends it's a result of a liberal organization taking issue with the teachings of a conservative Christian group. ‘We considered suing them, some years ago, but they have more resources than us,’ Puskorius said.” (“Hate Groups Watchdog Has Mount St. Michael On List,” *Spokesman Review*, 3/9/13)
- **“The 2016 HateWatch List Is Out And The Singing Nuns Are Still There.”** (Sue Lani Madsen, Op-Ed, “‘Hate Map’ Shows How Far SPLC Has Fallen,” *Spokesman Review*, 5/28/16)
- **The “Singing Nuns” Also Serve As K-12 Teachers And Work In The Print Shop And Bookstore.** “The Marian Sisters engage in teaching and parish work as well as promoting Catholic publications and other media. Here at Mount St. Michael they staff a K-12 Catholic academy, a print shop, and a religious bookstore and mail order center. In 1979, the Sisters also began making recordings as the ‘Singing Nuns,’ a work which has proved to be a kind of mission as well as a means of financial support.” ([StMichaels.org](#), Accessed 7/1/17)





**For Years, Dees And SPLC Have Repeatedly Targeted Military Members And Veterans As Likely Candidates To Carry Out Hate Crimes:**

**A 2006 SPLC Report Claimed Deployed Forces In Iraq Included “Many Neo-Nazis” While “Hundreds” More Soldiers Were Spreading Hate In “Racist Online Venues.”** “As reported in a remarkable cover story by David Holthouse, many neo-Nazis have served or are serving in Iraq. Hundreds anonymously proclaim their ideology in racist online venues. At a single base, Fort Lewis, Wash., 320 soldiers are involved in extremist activity, according to a Defense Department investigator – but just two of them have been discharged.” (“Extremism And The Military,” [SPLCenter.org](http://SPLCenter.org), 8/11/06)

- **“Hate Groups And Neo-Nazi Ideologues Routinely Encourage Their Followers To Join The Military To Hone Their Warrior Skills.”** (“Extremism And The Military,” [SPLCenter.org](http://SPLCenter.org), 8/11/06)
- **“What If The Next Soldier To Be Accused Of Murder, Rape Or Some Other Atrocity In Iraq Turns Out To Have A Swastika Tattoo On His Chest?”** (“Extremism And The Military,” [SPLCenter.org](http://SPLCenter.org), 8/11/06)

**Morris Dees, In 2009: “We Have To Look At The Returning Veterans ... Guys Coming Back With Posttraumatic Stress Syndrome, Coming Back To A Failing Economy, Inability To Buy [A] Home Or Get A Job...”** DEES: “And also, we have to look at the returning veterans from – coming back from Iraq, the war that probably was ill-conceived... There’s no question because they have a training in military explosives like McVeigh did and – and actually we at the Poverty Law Center have reported to the Department of Defense that there are active duty extremist members in the military and some of these people have been removed by the Department of Defense. It’s a serious issue, especially with lot of these guys coming back with posttraumatic stress syndrome, coming back to a failing economy, inability to buy home or get a job, and get credit. It’s a serious matter ... I think it reflects well on the Department of Homeland Security that they are taking domestic terrorism seriously.” (CBS’ “The Early Show,” 4/15/09)

**A 2012 SPLC Article Claimed Many Soldiers Have Become “Radicalized” While In Uniform.** “If Wisconsin mass murderer Wade Michael Page did indeed develop his extremist beliefs while serving in the U.S. Army — as the evidence strongly suggests — he wouldn’t be the first. Many analysts believe Timothy McVeigh, America’s most infamous domestic terrorist and a veteran of the Gulf War, also became radicalized while in the military.” (“Extremists In The Military: A Longstanding Problem,” [SPLCenter.org](http://SPLCenter.org), 11/11/12)



## NOTABLE PUBLIC INCIDENTS

### **SPLC Tactics Became An Issue In Aftermath Of Armed Assaults On Family Research Council Headquarters In 2012 And Congressional Baseball Team Practice In 2017:**

**In 2012, A Gunman Assaulted Family Research Council Offices In Effort To Kill “Anti-Gay” People; He Claimed He Identified The Group From The SPLC Website.** “The shooter of an unarmed security guard at the Family Research Council headquarters last summer was on a mission to target organizations he viewed as anti-gay, and he obtained a gun days before he tried to carry out a plan to kill ‘as many people as possible,’ according to newly disclosed court documents. ... A detail sure to reignite the culture wars that erupted around the shooting is the fact that [shooter Floyd] Corkins told FBI agents that he identified the Family Research Council as anti-gay on the Web site of the Southern Poverty Law Center.” ([The Washington Post](#), 2/6/13)

**The Gunman Who Assaulted GOP Members Of Congress On A Baseball Field In 2017 Was A Facebook Fan Of SPLC.** “The shooter blamed for Wednesday's bloody attack on a Republican congressional baseball team shared a tie with the 2012 gunman who attacked the conservative Family Research Council in Washington. Both were fans of the Southern Poverty Law Center. James T. Hodgkinson, 66, of Illinois, liked the SPLC on his Facebook page, along with other liberal groups such as Media Matters and MoveOn.org.” (Paul Bedard, “Support For Southern Poverty Law Center Links Scalise, Family Research Council Shooters,” [Washington Examiner](#), 7/14/17)

### **The FBI Distanced Itself From SPLC In 2014; Timing Of Decision Indicates The Family Research Council Shooting May Have Been A Factor:**

**In March 2014, The FBI Removed Its Public Links To SPLC Data As A Resource For Information On Civil Rights Issues And Hate Crimes.** “This week it emerged that the FBI, which has included SPLC data as ‘a resource,’ has finally severed its link with the organization and dumped SPLC from the bureau’s Hate Crime Web page. The FBI offered no explanation of why now, but the dumping follows appeals of 15 family groups to Attorney General Eric Holder Jr. and FBI Director James B. Comey to sever the connection. We think that was a good day’s work.” (Editorial, “The FBI Dumps A ‘Hate Group,’” [The Washington Times](#), 3/28/14)

**Emails Obtained Three Years Later Showed That SPLC Was Removed From The FBI-Civil Rights Section Because Of “A Number Of Concerns.”** “According to emails dating back to March 2014 and obtained via a Freedom of Information Act Request by the Immigration Reform Law Institute, the FBI-Civil Rights Unit Section Chief stated that his removal decision was actually ‘[b]ased on a number of concerns,’ a decision which he came to after he had ‘met with a variety of external and internal partners with the Civil Rights Unit.’” (“FBI Removed SPLC, ADL From Resources Pages Over ‘Number Of Concerns,’” [The Daily Caller](#), 2/3/17)

**The FBI’s Removal Of SPLC May Have Been Influenced By Concerns Over The 2012 Attack On Family Research Council Headquarters By An SPLC-Inspired Gunman.** “The FBI, based on dates in the email, made the decision almost immediately after meeting with congressional staffers regarding concerns expressed by the head of the Family Research Council ... The FRC’s head complained in February 2014 that its presence on the SPLC’s ‘hate-watch’ list inspired a terrorist attack against the organization. ... The FBI email requesting the SPLC and ADL’s removal

from the resources page came March 18, 2014, just days after agents met with congressional staffers to communicate FRC concerns about the SPLC." ("FBI Removed SPLC, ADL From Resources Pages Over 'Number Of Concerns,'" [The Daily Caller](#), 2/3/17)

## PUBLIC CRITICISM

### LIBERAL DISCONTENT

#### **Dees And SPLC Have Been Criticized In Liberal Circles For Scaring Donors Into Action, Stockpiling Money, And Failing To Do Enough For People In Need:**

**"The Most Scathing Assessments Of Dees And His Group Have Always Come From The Left."** (Carl Cannon, "The Hate Group That Incited The Middlebury Melee," [Real Clear Politics](#), 3/19/17)

**Observers Frequently Note SPLC Has Had Few Black Attorneys, Executives, Or Board Members.** "Other reporters who have wised up to the SPLC hustle have noted in exposés how ironic it is that a group proclaiming itself a civil-rights organization has rarely used black attorneys or included any significant number of African Americans on its staff or board." (Karl Zinsmeister, "Some People Love To Call Names," [Philanthropy Roundtable](#), Undated, Accessed 6/30/17)

**Progressive Critics Contend SPLC Has Enriched Itself While Doing "Relatively Little" To Live Up To Its Name.** "What has infuriated the SPLC's liberal critics is their suspicion that Morris Dees has used the SPLC primarily as a fundraising machine fueled by his direct-mail talents that generates a nice living for himself ... and a handful of other high ranking SPLC officials plus luxurious offices and perks, but that does relatively little in the way of providing the legal services to poor people that its name implies." ("King Of Fearmongers," [The Weekly Standard](#), 4/15/13)

**"[SPLC] Has Been Criticized For Spending More Of Its Money On Fundraising And Overhead And Less On Litigation Than Comparable Groups Like The American Civil Liberties Union."** ("Has A Civil Rights Stalwart Lost Its Way?" [Politico Magazine](#), July 2017)

**Journalist Ken Silverstein: "[SPLC] Has Always Tried To Find Ways To Milk Money Out Of The Public By Finding Whatever Threat They Can Most Credibly Promote."** ("Has A Civil Rights Stalwart Lost Its Way?" [Politico Magazine](#), July 2017)

**The Late Liberal Journalist Alexander Cockburn Called Morris Dees An "Archsalesman Of Hatemongering ... Scaring Dollars Out Of The Pockets Of Trembling Liberals."** "What is the archsalesman of hatemongering, Morris Dees of the Southern Poverty Law Center, going to do now? Ever since 1971, US Postal Service mailbags have bulged with his fundraising letters, scaring dollars out of the pockets of trembling liberals aghast at his lurid depictions of a hate-sodden America in dire need of legal confrontation by the SPLC. ... Total revenue in 2007 was \$44,727,257, and program expenses \$20,804,536. In other words, the Southern Poverty Law Center was raising much more than it was spending on its proclaimed mission. Fundraising and administrative expenses accounted for \$9 million, leaving more than \$14 million to be put in the center's vast asset portfolio." (Alexander Cockburn, "King Of The Hate Business," [The Nation](#), 4/29/09)

**The Nation's JoAnn Wypijewski Called Dees A "Millionaire Huckster."** "No one has been more assiduous in inflating the profile of such ['hate groups'] than the center's millionaire

huckster Morris Dees ... Why the organization continues to keep 'Poverty' (or even 'Law') in its name can be ascribed only to nostalgia or a cynical understanding of the marketing possibilities in class guilt." ("Wypijewski Replies," [The Nation](#), 2/26/01)

**Georgia-Based Civil Rights Lawyer Stephen Bright: "Morris Dees Is A Con Man And Fraud ... He Has Taken Advantage Of Naïve, Well-Meaning People..."** BRIGHT: "I also received the law school's invitation to the presentation of the 'Morris Dees Justice Award' ... I decline that invitation for another reason. Morris Dees is a con man and fraud ... He has raised millions upon millions of dollars with various schemes, never mentioning that he does not need the money because he has \$175 million and two 'poverty palace' buildings in Montgomery. He has taken advantage of naive, well-meaning people – some of moderate or low incomes – who believe his pitches ... He has spent most of what they have sent him to raise still more millions, pay high salaries, and promote himself. Because he spends so much on fund raising, his operation spends \$30 million a year to accomplish less than what many other organizations accomplish on shoestring budgets." (Steven Bright, Letter To Kenneth Randall And Thomas McMillan, Reprinted In "The Southern Poverty Business Model," [Harper's](#), 11/2/07)

**Daily Kos, 2010: "Ask Yourself What The Hell Is A Supposed Poverty-Fighting Alabama-Based Tax-Exempt Organization Doing With [A Cayman Islands Bank] Account."** "The SPLC's new 2009 IRS 990 filing shows they have a bank account in the Cayman Islands. Now, stop for a good long minute and ask yourself what the hell is a supposed poverty-fighting Alabama-based tax-exempt organization doing with such an account. Then ponder this: how much money is in it. Unfortunately, the IRS does not require SPLC or any tax-exempt charity with an account in a foreign country to disclose additional details, such as the amount, and the SPLC's current 990 filing merely notes the existence of an account in a foreign country. The center's site reveals neither the existence of the off-shore account nor the total it contains." ([Daily Kos](#), 11/26/10)

## EMPLOYEE DISSATISFACTION

**In 1986, SPLC's Legal Staff Walked Away From The Group En Masse, Citing Failure Of Top Leadership To Carry Out The Organization's Mission:**

**SPLC's Entire Legal Staff Quit In Protest Three Decades Ago, Alleging The Group Catered To Wealthy Donors Rather Than Underserved Minorities.** "In 1986, the Center's entire legal staff quit in protest of Dees' refusal to address issues – such as homelessness, voter registration, and affirmative action – that they considered far more pertinent to poor minorities, if far less marketable to affluent benefactors, than fighting the KKK. Another lawyer, Gloria Browne, who resigned a few years later, told reporters that the Center's programs were calculated to cash in on 'black pain and white guilt.'" (Ken Silverstein, "The Church Of Morris Dees," [Harper's](#), 11/00)

**Recent SPLC Employees Have Criticized The Group For A "Toxic" Environment, Lack Of Diversity, And Affording Employees "No Rights":**

**SPLC Has Awful Grades On Employee Review Website "Glassdoor;" Workers Say Employees "Have No Rights" And Cite "Toxic" Environment.** "A not for profit which fights for the rights of others but affords employees no rights. Prospective employees who are thinking of relocating to join SPLC, should consider the expense you will incur when you are discharged.

Check the turnover numbers. It is a truly toxic environment.” (Employee Review, [Glassdoor.com](https://www.glassdoor.com), 1/4/16)

**Employee Review Noted Lack Of Diversity In SPLC Legal Team, Also Described Work Environment As “Toxic.”** “All SPLC practice areas ... have a disproportionate effect on black and brown people. Yet, such a small percentage of black and brown people are employed on the legal team at SPLC ... Further disheartening is the fact that even fewer minorities are in positions of authority ... Toxic environments lead to low retention rates.” (Employee Review, [Glassdoor.com](https://www.glassdoor.com), 1/3/17)