
National Legal and Policy Center

“promoting ethics in public life”



February 4, 2022

VIA OVERNIGHT DELIVERY
and E-MAIL

Bob Bonta
Attorney General of California
Registry of Charitable Trusts
1300 I St
PO Box 903447
Sacramento, CA 95814-2919

IN RE: COMPLAINT BY THE NATIONAL LEGAL AND POLICY CENTER AGAINST BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC. FOR VIOLATING CALIFORNIA’S CHARITY FUNDRAISING LAWS

Dear Attorney General Bonta:

Pursuant to California’s charity law and regulations, Cal. Code Regs., tit 11, sec. 999.9.4, Government Code section 12586, and related provisions, the National Legal and Policy Center (NLPC) hereby requests that your office conduct a full investigation of Black Lives Matter Global Network Foundation, Inc. (BLMGNF), Charity Registration Number CT0277977, for its past and continuing flagrant violations of California’s laws regulating charitable contributions, including your office’s **DELINQUENCY NOTICE AND WARNING OF ASSESSMENT OF PENALTIES AND LATES FEES, AND SUSPENSION OR REVOCATION OF REGISTERED STATUS** issued on January 31, 2022. Exhibit 1.¹

Such enforcement actions should include issuing civil investigative demand letters and imposing appropriate fines and penalties as provided by law, including disallowance of its tax-

¹ Exhibit 1. Also available at file:///C:/Users/Owner/AppData/Local/Temp/556263641-California-Delinquency-Notice.pdf

exempt status and possible criminal penalties. A full certified independent audit of its finances is also required.

BLMGNF is a social activist nonprofit group that has raised approximately \$90 million in charitable contributions and on information and belief currently has \$60 million in its treasury. It has failed to renew its registration and file its financial disclosure report for fiscal year ending December 31, 2020 and was required to file its IRS Form 990 return that was due on November 15, 2021. BLMGNF appears to be a serial violator of other states' charitable contributions laws as well, including Washington, Connecticut, Maine, Maryland, New Jersey, New Mexico, North Carolina, and Virginia.² It further appears that BLMGNF has no officer in charge of the organization and its finances ever since its former Executive Director, Patrisse Cullors, resigned in May 2021.

The total lack of transparency and accountability for such a highly visible and well-funded organization is alarming and justifiably criticized by Black leaders at the local level. The many residents and businesses of California who have contributed to BLMGNF (and others who have not but nevertheless effectively subsidize BLMGNF because its income is non-taxable) deserve to have a full investigation of its finances and the imposition of fines and penalties, including possible criminal prosecution.

INTEREST OF COMPLAINANT

NLPC is a national nonprofit organization based in Falls Church, VA, with supporters nationwide, including many in California, and is dedicated to promoting ethics in the government, corporate, and nonprofit sectors.³ To that end, NLPC acts as an ethics watchdog, investigating questionable conduct by individuals and organizations, and where warranted, filing complaints with appropriate agencies and officials at the federal and state level. In particular, NLPC has been investigating the questionable financial activities of BLMGNF, its related entities, and its officers, including its co-founder and former Executive Director Patrisse Cullors, and filing complaints where warranted.⁴

BLMGNF'S LACK OF TRANSPARENCY AND VIOLATIONS OF CALIFORNIA LAW

² NLPC also filed a similar complaint today with the Attorney General of Washington against BLMGNF for violating that state's disclosure and registration laws after issuing a Closure Notice dated January 5, 2022 to BLMGNF. NLPC plans to file complaints in those other states where BLMGNF is not in compliance.

³ NLPC is a 501(c)(3) nonprofit charity and is duly registered with California and in full compliance with its reporting and registration requirements.

⁴ See <https://www.nlpc.org/corporate-integrity-project/>

BLMGNF is a nonstock corporation that was originally incorporated in Delaware by Patrice Cullors, an avowed Marxist, as Black Lives Matter Foundation, Inc. on October 16, 2017. On August 3, 2019, Cullors filed a Certificate of Amendment as its Executive Director changing the organization's name to Black Lives Matter Global Network Foundation, Inc.

BLMGNF received its IRS Determination Letter approving it as a 501(c)(3) as a charity on December 2, 2020, effective August 28, 2020, authorizing it to solicit and receive tax deductible charitable contributions. Its By-Laws provide that its Board of Directors shall control the affairs of the nonprofit but its IRS Form 990 submitted for calendar year 2019 notably does *not* list the name of any director.⁵

In October 2020, BLMGNF received \$66 million from Thousand Currents, a non-profit charity based in San Francisco, CA, that managed its donations as its fiscal sponsor. But BLMGNF has apparently failed to file its IRS Form 990 for calendar year 2020 which was due November 15, 2021 after it received an extension. And it has failed to file its required annual report in California prompting your office to issue the Delinquency Notice to BLMGNF that it “**is not in good standing and is prohibited from engaging in conduct for which registration is required, including soliciting or disbursing charitable funds.**” Exhibit 1.

In a series of news articles by investigative reporter Andrew Kerr of the *Washington Examiner*, he uncovered an utter lack of transparency of BLMGNF's finances and operations. In a one recent article, he reported that

No one appears to have been in charge at [Black Lives Matter](#) for months. The [address](#) it lists on [tax](#) forms is wrong, and the [charity's](#) two board members won't say who controls its \$60 million bankroll, a *Washington Examiner* investigation has found. BLM's shocking lack of transparency surrounding its finances and operations raises major [legal](#) and [ethical](#) red flags, multiple charity experts told the *Washington Examiner*.⁶

⁵ Copies of BLMGNF's organizational documents are available at New Mexico's Charity website: <https://secure.nmag.gov/CharitySearch/CharityDetail.aspx?FEIN=82-4862489>

⁶ Andrew Kerr, *BLM's millions unaccounted for after leaders quietly jumped ship*, *Washington Examiner* (Jan. 27, 2022). <https://www.washingtonexaminer.com/news/blms-millions-go-unaccounted-for-after-leaders-quietly-jump-ship> See also Isabel Vincent, *New York Post* “*‘Marxist’ BLM co-founder Patrisse Khan-Cullors defends real estate holdings*” (Apr. 16, 2021) <https://nypost.com/2021/04/16/blm-co-founder-patrisse-khan-cullors-defends-real-estate-holdings/>. There are also questions about BLMGNF transfer of millions to BLM Canada to purchase a mansion in Toronto, the former headquarters of the Communist Party of Canada, causing two leaders to resign because of the lack of transparency in the transaction. See Kerr, *Anger over BLM's purchase of \$8.1 million Toronto mansion grows as group's finances scrutinized*, *Washington Examiner* (Jan. 28, 2022). <https://www.washingtonexaminer.com/restoring-america/fairness-justice/anger-over-blms-purchase-of-8-1-million-toronto-mansion-grows-as-groups-finances-scrutinized>. See also Vincent, *Black Lives Matter sent millions to Canada charity to buy mansion*, *New York Post*

Even though the Delinquency Notice was issued on January 31, 2022 and BLMGNF was promptly made aware of it, the group ignored it and continued to solicit and receive donations as reported by the *Washington Examiner* as recently as February 3, 2022. When this violation was recently brought to the attention of BLMGNF, a representative told the reporter:

“We take these matters seriously and have taken immediate action,” an unidentified spokesperson for the BLMGNF told the *Washington Examiner*. “We have immediately engaged compliance counsel to address any issues related to state fundraising compliance. In the interim, we have shut down online fundraising as we work quickly to ensure we are meeting all compliance requirements.”⁷

This response is disingenuous for several reasons. First, if BLMGNF did take “these matters seriously,” why did it fail to renew its registration since November 2021? Second, its representation that it has “shut down online fundraising as we work quickly to ensure we are meeting all compliance requirements” is demonstrably false. While it did eliminate the “DONATE” button on its website, blacklivesmatter.com, where donations were processed through ActBlue, a fundraising organization for Democratic candidates and liberal activist organizations, it continued to receive donations from a separate email solicitation from BLMGNF regarding Black History Month and other donation streams through ActBlue.

When this continued flagrant violation of the California’s Delinquency Notice and Washington’s Closure Notice was brought to its attention by the *Washington Examiner*, the unnamed representative of BLMGNF further replied:

“The ActBlue campaigns you reference are not active campaigns and are not actively soliciting any funds,” the spokesperson said in an email.” As previously noted, we have ceased all current fundraising as we work to ensure complete compliance.”⁸

This statement too is demonstrably false since donations were subsequently solicited and made to the group through its email solicitation about Black History Month that was indeed

(Jan. 29, 2022). <https://www.washingtonexaminer.com/restoring-america/fairness-justice/anger-over-blms-purchase-of-8-1-million-toronto-mansion-grows-as-groups-finances-scrutinized>

⁷ Kerr, *Black Lives Matter shuts down fundraising days after liberal states threatened legal action*, *Washington Examiner* (Feb. 3, 2022). <https://www.washingtonexaminer.com/news/black-lives-matter-shuts-down-fundraising-days-after-liberal-states-threatened-legal-action>

⁸ Andrew Kerr and Jerry Dunleavy, *ActBlue still allowing BLM to solicit donations despite charity's shutdown claim*, *Washington Examiner* (Feb. 3, 2022). <https://www.washingtonexaminer.com/actblue-still-allowing-blm-to-solicit-donations-despite-charity-s-shutdown-claim>

“actively soliciting” funds.⁹ Moreover, the Delinquency Notice orders BLMGNF “soliciting” funds, whether it is doing it “actively” or through an intermediary. That would include using ActBlue as its intermediary to raise donations.

Attempts by the *Washington Examiner* to contact two alleged Board Members for a response to this blatant lack of compliance with basic disclosure requirements were futile.

It's unclear who has been in charge of BLM and its \$60 million bankroll since its co-founder Patrisse Cullors resigned in May amid scrutiny of her own personal finances. The two replacement executives Cullors appointed to lead the charity in her stead quietly announced in September they had never actually assumed their jobs due to disagreements with BLM.

One of BLM's two known board members, Shalomyah Bowers, appears to have gone underground. Bowers said in an automated, out-of-office email on Tuesday that he will be unavailable via email and phone during the first half of February, and phone calls to Bowers's cellphone on Thursday went straight to voicemail.

BLM's other known board member, Raymond Howard, modified his LinkedIn page to erase his association with BLM after being contacted by the *Washington Examiner* for comment last week.¹⁰

THE ATTORNEY GENERAL MUST TAKE SWIFT ENFORCEMENT ACTION AGAINST BLMGNF

NLPC requests that a full investigation be conducted of BLMGNF by the Attorney General to obtain financial information as required by the provisions of GOV § 12586:

(e) Every charitable corporation, unincorporated association, and trustee required to file reports **with the Attorney General pursuant to this section that receives or accrues in any fiscal year gross revenue of two million dollars (\$2,000,000) or more**, exclusive of grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received, shall do the following:

(1) **Prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant** in conformity with generally accepted auditing standards. For any nonaudit services performed by the firm conducting the audit, the firm and its individual auditors shall

⁹ See February 1, 2022 fundraising email from BLMGNF (Exhibit 2) and donation receipt dated February 3, 2022 (Exhibit 3).

¹⁰ See note 6, *supra*.

adhere to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards, issued by the Comptroller General of the United States (the Yellow Book). The Attorney General may, by regulation, prescribe standards for auditor independence in the performance of nonaudit services, including standards different from those set forth in the Yellow Book. * * * **The audited financial statements shall be available for inspection by the Attorney General and by members of the public no later than nine months after the close of the fiscal year to which the statements relate.** A charity shall make its annual audited financial statements available to the public in the same manner that is prescribed for IRS Form 990 by the latest revision of [Section 6104\(d\) of the Internal Revenue Code](#) and associated regulations.

As a \$60 million dollar organization, BLMGNF clearly meets the \$2 million dollar threshold for an independent certified CPA audit of its financial statements. Moreover, GOV § 12586.1 also imposes fines when the charity:

- (d) Fails to file its subsequent annual report no later than four months and 15 days following the close of each calendar or fiscal year subsequent to the filing of the first report and has not requested an extension of time to file the annual report.
- (e) Fails to file its annual registration/renewal form within the time specified by the Attorney General irrespective of other report filing requirements.
- (f) Fails to correct the deficiencies in its registration or annual report within 10 days of receipt of written notice of those deficiencies.

Besides obtaining copies of its books and bank statements which BLMGNF is required to keep, NLPC believes that the Attorney General should depose BLMGNF representatives under oath subject to perjury to ensure accurate information is provided regarding the finances of this group.

As the Delinquency Notice warns BLMGNF, if it fails to file the necessary reports with the Registry of Charitable Trusts within sixty days of the January 31, 2022 notice, the California Franchise Tax Board will be notified and ‘may revoke the organization’s tax exempt status.’ Furthermore, late fees “will be imposed” for each month or partial month the reports are delayed and that the “Directors, trustees, officers, and return preparers” responsible for the filing delays will be “personally liable for payments of all late fees.”

CONCLUSION

The total lack of transparency and accountability for such a highly visible and well-funded organization is alarming and justifiably criticized by Black leaders at the local level. It is incumbent on the Attorney General to launch a full investigation of BLMGNF’s finances and governance and to impose appropriate fines and penalties, including possible criminal prosecution.

Respectfully submitted,

/s/ Paul D. Kamenar

Paul D. Kamenar, Esq.
1629 K Street, N.W.
Suite 300
Washington, D.C. 20006
paul.kamenar@gmail.com

Counsel to NLPC