

National Legal and Policy Center

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April 14, 2022

Robert Malone
Director, Exempt Organizations Division
Internal Revenue Service
TEGE Referrals Group - MC 4910 DAL
1100 Commerce Street
Dallas, TX 75242
Via Email: eoclass@irs.gov

Re: Supplement to Form 13909: Tax-Exempt Organization Complaint (Referral)
Black Lives Matter Global Network Foundation, EIN 82-4182489

Dear Mr. Malone:

The National Legal and Policy Center (NLPC) hereby submits this supplemental complaint to the attached Form 13909 Tax-Exempt Organization Complaint (Referral) regarding violations of IRS rules and regulations by Black Lives Matter Global Network Foundation (BLMGNF), EIN 82-4182489, and Patrisse Cullors, its founder and former Executive Director. NLPC requests that the IRS conduct an immediate investigation of the activities complained of that appear to violate IRS rules prohibiting the use of nonprofit assets for private benefit, self-dealing, conflicts of interest, unlawful political fundraising, and other misconduct, including evidence of a coverup of the circumstances of their purchase and use of a \$6 million LA mansion, and assess appropriate civil or criminal penalties.

NLPC is a nonprofit 501(c)(3) ethics watchdog organization that has filed ethics complaints against public officials and organizations for failing to comply with relevant disclosure laws and related laws and regulations at the state and federal level.¹ With respect to the BLMGNF, NLPC filed complaints with the Attorney Generals of California and Washington on February 4, 2022, against BLMGNF for its flagrant failure to comply with those States' nonprofit registration laws after being ordered to cease their fundraising activities.² NLPC also filed a Complaint with the IRS against a BLMGNF related entity, Dignity and Power Now, EIN

¹ For information about NLPC's Government Integrity Project, see NLPC's website at <https://www.nlpc.org/?s=government+integrity+project>

² <https://www.nlpc.org/corporate-integrity-project/nlpc-files-complaints-against-black-lives-matter-over-fundraising/>

46-3064675, also headed by Patrisse Cullors, on June 18, 2021, for failing to report a \$100,000 contribution.³ On information and belief, that investigation is still pending.

1. **BLMGNF purchased a \$6 million dollar luxury estate in October 2020, which has been unlawfully and secretly used for the private benefit of Patrisse Cullors, BLMGNF's founder and former Executive Director, and her associates, who tried to cover up the purchase and non-exempt use of the property.**

In an explosive April 4, 2022, New York Magazine Intelligencer article, investigative reporter Sean Campbell reported that BLMGNF purchased a \$6 million, 6,500-square-foot home in Southern California replete with a pool, sound stage, at least half a dozen bedrooms and bathrooms, and a bungalow.⁴ The property was purchased with BLMGNF funds on October 28, 2020, shortly after it received some \$66 million from Thousands Currents earlier that month, but kept it secret until now.⁵ A few days after it was purchased by Dyane Pascall, it was transferred to an LLC ("3726 Laurel Canyon Blvd. LLC") established in Delaware by its counsel Marc Elias, formerly of Perkins Coie, that is owned by BLMGNF, and thus, no transfer taxes were assessed due the owner's nonprofit status. As reported in the New York Magazine piece:

The transaction has not been previously reported, and Black Lives Matter's leadership had hoped to keep the house's existence a secret. Documents, emails, and other communications I've seen about the luxury property's purchase and day-to-day operation suggest that it has been handled in ways that blur, or cross, boundaries between the charity and private companies owned by some of its leaders. It creates the impression that money donated to the cause of racial justice has been spent in ways that benefit the leaders of Black Lives Matter personally.

³ <https://www.nlpc.org/current-projects/nlpc-files-complaints-against-group-headed-by-black-lives-matter-founder-patrisse-cullors/>

⁴ Sean Campbell, *Black Lives Matter Secretly Bought a \$6 Million House Allies and critics alike have questioned where the organization's money has gone*. New York Magazine (Apr. 4, 2022). <https://nymag.com/intelligencer/2022/04/black-lives-matter-6-million-dollar-house.html>

BLMGNF's taste in mansions included their giving \$6 million to their Canadian counterpart to purchase the former Communist headquarters in Toronto. Andrew 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>

⁵ As Patrisse Cullors explained it, "People have to know we didn't go out and solicit the money," Cullors said of BLM's unaccounted financial windfall in 2020. "This is money that came from white guilt, white corporation guilt, and they just poured money in." Andrew Kerr, *Co-founder lashes out at critics as BLM faces legal threats from blue states*, Washington Examiner (Feb. 10, 2022). <https://www.washingtonexaminer.com/news/co-founder-lashes-out-at-critics-as-blm-faces-legal-threats-from-blue-states>

On March 30, I asked the organization questions about the house, which is known internally as “Campus.” Afterward, leaders circulated an internal strategy memo with possible responses, ranging from “Can we kill the story?” to “Our angle — needs to be to deflate ownership of the property.” The memo includes bullet points explaining that “Campus is part of cultural arm of the org — potentially as an ‘influencer house,’ where abolition+ based content is produced by artists & creatives.” Another bullet is headed “Accounting/990 modifications” and reads in part: “need to first make sure it’s legally okay to use as we plan to use it.” The memo also describes the property as a “safehouse” for leaders whose safety has been threatened. The two notions — that the house is simultaneously a confidential refuge and a place for broadcasting to the widest possible audience — are somewhat in tension. The memo notes: “Holes in security story: Use in public YT [YouTube] videos.”

In response to this apparent conspiracy to cover up its unlawful use, Shalomyah Bowers, one of only two BLMGNF board members (the other one is Democratic party activist Minyon Moore⁶), said in a statement that

BLMGNF had ‘always planned’ to disclose the house in legal filings this May, that it does not serve as anyone’s personal residence, and that purchasing property via private LLCs is customary in real estate **as a way of protecting assets from litigation and liability**. The statement did not address why, if the house was primarily intended to be a creative space, relatively little content has been produced there over the course of 17 months. *Id.* (emphasis added).

It is highly unusual for a nonprofit to hide the purchase and intended tax-exempt purpose of a \$6 million dollar facility for 19 months from its donors (beginning from its purchase in October 2020 until this May when the group’s belated Form 990 tax return is expected to be filed), let alone doing so through an LLC “as a way of protecting assets from litigation and liability,” according to Board Member Bowers. Such a major purchase and dedicated use of a facility by any other nonprofit would be proudly announced in a press release and posted on its website at the time of its acquisition.

Moreover, **all** property owned by a nonprofit is subject to “litigation and liability” regardless if it is held in the name of the nonprofit or, as here, through a nondescript LLC. Limited Liability Companies are used by businesses to protect the **personal** assets of the owners of the LLC from “litigation and liability,” not the assets which are owned by the LLC, whether it is an office building, vehicles, or other business assets. Rather, officers and directors of the nonprofit are often protected from liability for breach of their fiduciary duties and misconduct by officers and directors insurance. In short, Bower’s lame excuse for the secret purchase and use of the property demands a full investigation by the IRS.

⁶ Jessica Chasmar, *Biden Supreme Court nomination adviser on BLM board of directors, despite WH distancing from ‘defund’ movement* (Feb. 16, 2022). <https://www.foxnews.com/politics/bidens-supreme-court-minyon-moore-black-lives-matter-board>

2. The Questionable Sale and Transfer of the Mansion.

Following the April 4 New York Magazine article, investigative reporters Andrew Kerr of the *Washington Examiner* and Isabel Vincent of the *New York Post* quickly followed up with their own investigation of the circumstances surrounding the purchase and use of the mansion in a series of articles. For example, in a story later that same day, Andrew Kerr reported on the details of the purchase and quick transfer of the property to the LLC by Dyane Pascall between October 28, 2020 when he held it and its transfer to the LCC a few days later.

Pascall is the financial manager for Cullors's personal LLC, Janaya and Patrisse Consulting. He is also the chief financial officer for Trap Heals, an art company led by the father of Cullors's only child, Damon Turner. Both Trap Heals and Janaya and Patrisse Consulting have [received](#) significant [payments](#) from Cullors's activist groups, including BLM.⁷

This relationship raises an issue of possible self-dealing and conflicts of interest. Investigative reporter Isabel Vincent of the *New York Post* provided additional details of the purchase and transfer of the property.⁸

The IRS's investigation of the purchase and transfer of the property should include obtaining copies of the sales agreement and the closing documents, including the HUD-1, which will show the closing costs, including any commissions, and any possible conflicts with respect to the purchase and transfer of the property by friends and associates of Patrisse Cullors.

⁷ Andrew Kerr, *BLM purchased \$6 million Los Angeles mansion with donor money: Report*, *Washington Examiner* (Apr. 4, 2022). <https://www.washingtonexaminer.com/news/blm-purchased-6-million-los-angeles-mansion-with-donor-money-report> See also Andrew Kerr, *BLM middleman stonewalls on \$6M mansion purchase: 'I don't owe you an explanation'* *Washington Examiner* (Apr. 7, 2022). <https://www.washingtonexaminer.com/news/blm-middleman-stonewalls-on-6m-mansion-purchase-i-dont-owe-you-an-explanation>

⁸ Isabel Vincent, *Inside the \$6M mansion BLM reportedly bought with donated funds* *New York Post* (Apr. 5, 2022). <https://nypost.com/2022/04/05/the-6-million-mansion-blm-reportedly-bought-with-donated-funds/> See also Isabel Vincent, *BLM's Patrisse Cullors slams 'racist' report on organization buying \$6M SoCal mansion*, *New York Post* (Apr. 6, 2022). <https://nypost.com/2022/04/06/blms-patrisse-cullors-slams-racist-report-on-6m-socal-mansion/> Cullors labels anyone who criticizes her handling of BLMGNF's finances as "racist," including Black reporter Sean Campbell of the *New York Magazine* who broke the mansion story and its coverup.

3. Patrisse Cullors Used the Mansion for Her Personal Benefit

As for Cullors's personal use of the property since its secret purchase in October 2020, that secret is out and indeed, publicly flaunted by Cullors. As the *Washington Examiner* reported:

Cullors filmed herself in the mansion's kitchen in an April 2021 [video](#) in which she baked a peach cobbler.⁹ The kitchen in the video appears virtually identical to [pictures](#) of the kitchen on the property's real estate listing.



The mansion's patio was also used to film a one-year anniversary video for Floyd's killing, which was [uploaded](#) to Cullors's personal YouTube channel. The patio in the video also appears virtually identical to [pictures](#) of the patio on the property's real estate listing.



⁹ The video was the inaugural installment of what Cullors called "Patrisse Tries," a series of cooking videos. No mention was made of Black Lives Matter or its mission. The use of the kitchen and video was entirely for the personal benefit of Cullors.
https://drive.google.com/file/d/17nMzA7wa0Viu-n_GiJ9mUb2rUxv7JD9C/view?ts=62573f88

Cullors, along with BLM leader Melina Abdullah and BLM co-founder Alicia Garza, railed against critics of Cullors's personal real estate purchases in the Floyd anniversary video.

"I think they've attempted to cancel us, but they have not been successful in canceling us," Abdullah said.

Abdullah later blasted critics for demanding accountability for their management of BLM's millions.

"Who the f*** are you? You ain't done s***," Abdullah said. "I don't need to be accountable to you. ... I don't know what accountability looks like with people that I don't know and have never talked to."

This disregard for accountability and transparency regarding the use of charitable donations expressed by Cullors, Abdullah, and Garza in the video (which has since been taken down by Cullors) while sipping La Marca Prosecco and enjoying a fancy catered lunch on a white linen tablecloth on the mansion's patio, was further underscored by Cullors who seems to have a cavalier attitude and resentment about complying with IRS disclosure requirements for nonprofits, including filing Form 990 annual returns. In an article published yesterday by reporter Andrew Kerr, Cullors shockingly exclaimed:

"I actually did not know what 990s were before all of this happened," Cullors said, an apparent reference to the *Washington Examiner's* [reporting](#) in January about BLM's lack of financial and leadership transparency that led multiple states, including [California](#), to order the charity to cease raising funds until it discloses what it did with the \$90 million it raised in 2020.

Cullors said activists suffer trauma and that their lives are put at risk when charities under their control are required to disclose publicly what they did with their tax-deductible donations.

This doesn't seem safe for us, this 990 structure — this nonprofit system structure," Cullors said. "This is, like, deeply unsafe. This is being literally weaponized against us, against the people we work with."¹⁰

If BLMGNF doesn't think the nonprofit disclosure rules for charities are suitable for the way they operate, the IRS should oblige them and revoke their nonprofit status. This hostile attitude toward complying with nonprofit disclosure rules was quickly cleaned up with a tweet by BLMGNF recognizing their lack of transparency (BLMGNF "recognizes there is more work

¹⁰ Andrew Kerr, *BLM co-founder: Charity transparency laws are 'triggering'* Washington Examiner (Apr. 13, 2022). <https://www.washingtonexaminer.com/news/blm-co-founder-charity-transparency-laws-are-triggering>

to do to increase transparency and ensure transitions in leadership are clear") but only **after** their misdeeds and questionable conduct were exposed by the media.¹¹

4. Patrisse Cullors Has Stayed Overnight in the Mansion.

Besides using the mansion for her personal benefit during the day, Patrisse Cullors finally admitted to a select press group that she in fact has stayed in the mansion for **at least** four nights, and perhaps more for all we know:

Cullors disclosed in a phone call with reporters Monday [Apr. 11] that BLM's mansion was used as a "safe place" for her to stay for at least four nights amid an FBI investigation into a death threat made against her, NBC News [reported](#).

"So we did use the campus as a haven, as a safe place. That derailed an announcement strategy," Cullors said in reference to the death threats. "Conditions changed, and that's it."¹²

This response from a timing perspective is confusing and should be investigated by the IRS regarding her unlawful use of nonprofit assets for personal purposes.

First, the mansion was purchased in late October 2020 and was purposely kept secret. Yet Cullors stated during her press call that the threats against her came "[a]most immediately upon closing" of the sale of the mansion in October 2020.¹³ But since the sale to BLMGNF was

¹¹ Andrew Kerr, *BLM teases new transparency measures as group implodes over secret \$6M mansion*, Washington Examiner (Apr. 11, 2022), <https://www.washingtonexaminer.com/news/blm-teases-new-transparency-measures-as-group-implodes-over-secret-6m-mansion>. Also troubling is who is actually in charge of BLMGNF?

BLM's lack of financial and leadership transparency led CharityWatch executive Laurie Styron to [describe](#) the group to the *Washington Examiner* in January as a "giant ghost ship full of treasure drifting in the night with no captain, no discernible crew, and no clear direction."

BLM has yet to publicly announce who has been in charge of the group and its millions since its co-founder Patrisse Cullors resigned in May 2021 amid scrutiny of her personal real estate purchases. Cullors said when she left the charity that two activists would take over as senior executives, but both of the replacement executives quietly announced in September that they never took the jobs because of disagreements with the charity.

¹² Andrew Kerr, *BLM co-founder: Charity transparency laws are 'triggering'* Washington Examiner (Apr. 13, 2022), <https://www.washingtonexaminer.com/news/blm-co-founder-charity-transparency-laws-are-triggering>

¹³ Char Adams, *Black Lives Matter leaders condemn allegations of mismanaged funds*, NBC News (Apr. 12, 2022), <https://www.nbcnews.com/news/nbcblk/black-lives-matter-leaders-condemn-allegations-mismanaged-funds-rcna23882>

kept a secret until last week, why would Cullors and others be attacked after the closing, presumably for such profligate spending, if the public didn't even know about the purchase until last week? Cullors also refuses to reveal the results of the FBI investigation in her alleged death threats. Presumably she felt safe enough after four days living in the mansion to leave, implying that the FBI determined either that the threats were not real or that the person(s) making the threats were arrested. Presumably, the mansion is secured by alarms and monitored by closed circuit security cameras. As part of its investigation, the IRS can thus determine the comings and goings of Cullors and others who used the mansion for their private benefit.

Second, Cullors admitted that she and others did use the "campus" (as the mansion is now referred to) as a "safe place" and it was that use "that derailed an announcement strategy." But since the "announcement strategy" was not revealed until last week at the earliest, that would mean the mansion was used as a safe house from October 2020 to at least March 2022, some 17 months. But now, we are told "conditions changed" and BLMGNF can now be transparent and Cullors and her associates no longer need a safe house and the mansion can finally be used for nonprofit purposes? None of these attempts to justify the use of the property for private purposes makes sense timing wise.

5. BLMGNF Violated IRS Laws Prohibiting Nonprofit Charities from Fundraising for Political Committees.

BLMGNF was also recently caught violating IRS rules flatly prohibiting 501(c)(3) charities from using its mailing list to solicit donations to its political affiliate, BLM PAC.¹⁴ They only stopped when they were caught and claimed it was a mistake to link their mailing to a donation pitch by BLM PAC.¹⁵

But since BLMGNF has been barred from even soliciting funds for its own use by several state Attorney Generals, it nevertheless warrants an investigation by the IRS to determine who approved this unlawful activity, which further begs the question: who has been running BLMGNF operations ever since Patrisse Cullors resigned as Executive Director almost a year ago?

¹⁴ Andrew Kerr, *BLM's charity status at risk over solicitation of funds to elect Democrats, watchdog says*, Washington Examiner (Mar. 25, 2022), <https://www.washingtonexaminer.com/news/blms-charity-status-at-risk-over-solicitation-of-funds-to-elect-democrats-watchdog-says>

¹⁵ Andrew Kerr, *BLM refunds PAC contributions following Washington Examiner report*, Daily Examiner (Mar. 25, 2022), <https://www.washingtonexaminer.com/news/campaigns/blm-refunds-pac-contributions-following-washington-examiner-report>

CONCLUSION

It is abundantly clear that BLMGNF has violated one or more IRS laws and regulations regarding the operation of a nonprofit charity, which is particularly egregious considering they have some \$60 million in funds and, in fact, have paid millions for professional and legal fees.

The IRS must conduct a full investigation and audit of BLMGNF's finances and transactions immediately, including examining the minutes of all Board Meetings, thoroughly reviewing their 990-tax return to be filed next month, assessing appropriate civil and criminal penalties, and revoking their tax exempt status if warranted. The public interest demands it.

NLPC reserves the right to further supplement this complaint with addition information that it may obtain.

Sincerely,



Paul D. Kamenar
1629 K Street, N.W.
Suite 300
Washington, D.C. 20006
Paul.kamenar@gmail.com
301-257-9435
Counsel to NLPC

Encl: Form 13909: Tax-Exempt Organization Complaint (Referral)
Black Lives Matter Global Network Foundation, EIN 82-4182489

Tax-Exempt Organization Complaint (Referral)

1. Name of referred organization

BLACK LIVES MATTER GLOBAL NETWORK FOUNDATION, INC.

Street address

248 3rd Street. #305

City	State	ZIP code	Date of referral
Oakland	CA	94607	APRIL 14, 2022

2. Organization's Employer Identification Number (EIN)

82-4682489

3. Nature of violation

- ☒ Directors/Officers/Persons are using income/assets for personal gain
- ☐ Organization is engaged in commercial, for-profit business activities
- ☐ Income/Assets are being used to support illegal or terrorist activities
- ☒ Organization is involved in a political campaign
- ☐ Organization is engaged in excessive lobbying activities
- ☐ Organization refused to disclose or provide a copy of Form 990
- ☐ Organization failed to report employment, income or excise tax liability properly
- ☒ Organization failed to file required federal tax returns and forms
- ☒ Organization engaged in deceptive or improper fundraising practices
- ☒ Other (*describe*)

BLMGLN purchased a lavish \$6 million mansion in late October 2020 after it was purchased a few days earlier by Dyane Pascall, BLMGLN associate, then transferred to an LLC, hiding its purchase and true owner and then using it for the personal benefit of founder Patrisse Cullors and her associates; possible conflicts of interests. Possible civil and criminal penalties for fraud and conspiracy to cover up property purchase and use.

4. Details of violation

Name(s) of person(s) involved

Patrisse Cullors; Dyane Pascall (agent for BLMGNF and straw man purchaser of property); others unknown

Organizational title(s)

Fouder, former Executive Director.

Date(s)	Dollar amount(s) (<i>if known</i>)
October 2020 to present	At least \$6 million

Description of activities

1. BLMGLN purchased a lavish \$6 million property then transferred it to an LLC, hiding its purchase and true owner to avoid liability, and using it for the personal benefit of founder Patrisse Cullors and her associates and relatives. Possible civil and criminal penalties for fraud and conspiracy 2. BLMGNF unlawfully used its mailing list to solicit funds for BLM PAC. 3. BLMGNF continues to hide who is running BLMGLN since Cullors retired. Additional information describing the alleged unlawful activities are provided in the attached letter with links to relevant news articles and documents. IRS must conduct a full audit of BLMGNF and its connected organizations.

5. Submitter information

Name

National Legal and Policy Center, Attn: Peter Flaherty, Chair

Occupation or business

Nonprofit ethics watchdog organization

Street address

107 Park Washington Court Falls Church, Virginia 22046

City	State	ZIP code	Telephone number
Falls Church	VA	22046	(703) 237-1970

☐ I am concerned that I might face retaliation or retribution if my identity is disclosed

6. Submission and documentation: The completed form, along with any supporting documentation, may be mailed to IRS EO Classification, Mail Code 4910DAL, 1100 Commerce Street Dallas, TX 75242-1198, faxed to 214-413-5415 or emailed to eoclass@irs.gov. **Disclaimer Notice:** Your email submission of Form 13909 and attachments are not encrypted for security.