



Written by [William F. Jasper](#) on June 15, 2017

## Defunding the Left: AG Jeff Sessions Ends DOJ Bankrolling of Radical Activists

At long last! Attorney General Jeff Sessions (shown) has announced an end to the Department of Justice sweetheart deal that has funneled hundreds of millions of extortion dollars to left-wing activists. On June 5, Sessions issued a [memorandum](#) to all U.S. Attorney offices and all components the Department of Justice (DOJ) prohibiting payouts to third parties in settlements reached by the Justice Department.



The new order is aimed at curtailing a massive political extortion racket that has allowed activist attorneys and their left-wing client organizations to rake in millions of federal tax dollars, as well as shake down American corporations for billions of dollars to fund their Marxist agendas. The practice has been going on for decades but was boosted to stratospheric heights during the Obama administration, with radical “community organizers” from groups such as La Raza, the Association of Community Organizations for Reform Now (ACORN), Neighborhood Assistance Corporation of America (NACA), Asian Americans for Equality (AAFE), NeighborWorks (NW), the National Community Reinvestment Coalition (NCRC), and the National Urban League (NUL) — and many more — receiving billions of dollars extorted from corporations that the radical grievance lobbies accuse of racism, sexism, and discrimination. Teaming up with the federal Department of Justice and the liberal-left Big Media, they have cowed corporations into coughing up huge “social justice” payoffs to radicals claiming to represent the allegedly aggrieved ethnic or social group “victims.”

“Our Department is privileged to represent the United States and its citizens in courts across our country,” Attorney General Sessions said in his June 5 memo to DOJ subordinates. “We take this responsibility seriously,” the memo continues. “In the course of this representation, there may come a time when it is in the best interests of the United States to settle a lawsuit or end a criminal prosecution. Settlements, including civil settlement agreements, deferred prosecution agreements, non-prosecution agreements, and plea agreements, are a useful tool for Department attorneys to achieve the ends of justice at a reasonable cost to the taxpayer. The goals of any settlement are, first and foremost, to compensate victims, redress harm, or punish and deter unlawful conduct.”

“It has come to my attention,” Sessions noted, “that certain previous settlement agreements involving the Department included payments to various non-governmental, third-party organizations as a condition of settlement with the United States. These third-party organizations were neither victims nor parties to the lawsuits.”

The DOJ memo then made clear that this practice of subsidizing the political activity of radical partisans will cease, concluding with these words:

The Department will no longer engage in this practice. Effective immediately, Department attorneys may not enter into any agreement on behalf of the United States in settlement of federal claims or charges, including agreements settling civil litigation, accepting plea agreements, or



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deferring or declining prosecution in a criminal matter, that directs or provides for a payment or loan to any non-governmental person or entity that is not a party to the dispute.

A follow-up DOJ [press release](#) on June 7 noted that Attorney General Sessions had issued the above-mentioned memo to all 94 United States Attorneys' Offices. "When the federal government settles a case against a corporate wrongdoer, any settlement funds should go first to the victims and then to the American people — not to bankroll third-party special interest groups or the political friends of whoever is in power," said Sessions. "Unfortunately, in recent years the Department of Justice has sometimes required or encouraged defendants to make these payments to third parties as a condition of settlement. With this directive, we are ending this practice and ensuring that settlement funds are only used to compensate victims, redress harm, and punish and deter unlawful conduct."

Under the Obama administration, the press release noted, "the Department repeatedly required settling parties to pay settlement funds to third party community organizations that were not directly involved in the litigation or harmed by the defendant's conduct. Pursuant to the Attorney General's memorandum, this practice will immediately stop."

### **Long Overdue Reform**

The Trump administration's move to end the DOJ funding mechanism for subversives is a welcome effort, but just a start; it does not affect the direct taxpayer funding of radicals through numerous grants from the Departments of Energy (DOE), Health and Human Services (HHS), Housing and Urban Development (HUD), Education (DOEd), Environmental Protection Agency (EPA), Public Broadcasting System (PBS), and many other federal conduits.

However, stanching the flow of payoffs from extortionate lawsuits will put a significant dent in the political war chests of the professional agitators. In addition, it gives hope that the new administration will go even further and eliminate the ongoing practice of many federal agencies and departments of funding radical immigration, environmental, racial, education, labor, voter registration, and LGBT groups. Doing so would go a long way toward eliminating the organized antics of disruptive demonstrators and violent rioters that are wreaking havoc in our cities and destroying public comity. Going further, investigations (by Congress, DOJ, FBI, IRS) and prosecution of illegal [funding of political activists and rioters by tax exempt foundations](#) — such as the [Soros, Rockefeller, Ford, Tides foundations](#) — would drastically curtail the orchestrated chaos that is ravaging our land.

As mentioned above, the federally subsidized revolution has been going on for decades. The campus occupations, violent "peace" demonstrations, and racial riots of the 1960s and '70s were largely underwritten by taxpayer boodle ladled out by federal agencies, particularly the Office of Economic Opportunity (OEO), one of the many "poverty" programs of President Lyndon Johnson's "Great Society."

The late, great Howard Phillips, founder of the Conservative Caucus, accepted appointment as director of the OEO in the new Nixon administration in 1973, with the commitment to implement Nixon's pledge of defunding the subversive agency. A widely mouthed slogan of Republicans and conservatives of the era was, "The OEO has got to go!" When Nixon flip-flopped on the issue and continued OEO funding of radical schemes, Phillips resigned, and continued as a private citizen (mostly through Conservative Caucus) to campaign for eliminating federal funding of leftist causes.

Here is an excerpt from an [interview](#) in which Phillips describes his horror at personally witnessing the kinds of communist revolutionaries American tax dollars were lavishly supporting through the OEO:

I remember being in Gilroy, California — this is before anybody knew who I was — and a guy



named Gary Weissman (phon.) was head of the migrant campaign. He had been active on the Gene McCarthy campaign in '68, was president of the student body at the University of Wisconsin.... I remember sitting on the floor of this big room...and there were 150 organizers for the migrant program, many of them products of SDS, Students for a Democratic Society. And there was a large black gentleman who was the trainer that day.... And so help me God I will always remember this. He said, altogether now, "F— America!." Stand up and say, "F— America!" I mean this was the revolution and there was just so much of that. You know the guy who smuggled a gun in at San Quentin [Prison], Bingham, Steven Bingham, that led to the murders in that prison; he was a legal services operative. You have money going to Angela Davis and the prisoners' rights movement and the welfare rights movement and Atzlan and the Republic of New Africa. I remember one day two days before the 1972 election — Phil Sanchez, was my predecessor as director; he was hired by Fred Malek to be director of OEO to use government money to buy Hispanic votes for the Nixon campaign in '72 and they used it as a campaign treasury — totally corrupt. I was totally opposed to it. And they were giving it to all these left-wing Hispanics who wouldn't support them anyway.

I remember one day, you may recall that in 1972 a group called the American Indian Movement headed by Dennis Banks and Russell Means, two avowed Marxists, occupied the Bureau of Indian Affairs. This was cause célèbre; big deal in the media.... But I was summoned to the office by Phil Sanchez, the then-director, very nice guy but out of his league, and Frank Carlucci was there representing John Ehrlichman, and Carlucci directed Sanchez to take \$66,000 in cash out of the OEO safe to be paid to Dennis Banks and Russell Means personally to vacate the building. I was outraged. I was furious. I almost came to blows with Carlucci. I begged Sanchez not to do it, but he succumbed. I mean that kind of crap went on all the time. I was just totally disgusted. I could speak for two hours about other things that happened there.

### **Obama/Holder/Lynch DOJ — More of the Same**

Last year the Government Accountability Institute (GAI) conducted an in-depth investigation of the DOJ's funding of "community organizers" through its lawsuit settlement process. The GAI report, titled ["Follow the Money: How the Department of Justice Funds Progressive Activists,"](#) details the extensive bankrolling of leftist organizations by the Obama DOJ under Attorney Generals Eric Holder and Loretta Lynch. Among the many alarming findings of GAI's examination of the DOJ-activist axis were:

- During Eric Holder's tenure as attorney general, more than \$37 billion has been paid by U.S. banks under the threat of federal lawsuits.
- The Obama Justice department often incentivized these financial institutions to fund politically oriented nonprofits in lieu of paying restitution to specifically aggrieved individuals by disproportionately crediting payments to nonprofits against total settlement amounts at a rate as high as 10 to one. This benefited the banks and the nonprofits to the detriment to those needing direct assistance....
- Many of the cases stand on the tenuous merit of "disparate impact theory," wherein the DOJ eyes banks that become liable for charges of racism based upon the perceived injustice of lending disparity in certain lower income areas, regardless of the reasons for the disparity.
- NeighborWorks, a major conduit for distribution of these funds, gave over \$53 million to one particular organization, Neighborhood Assistance Corporation of America (NACA), whose founder



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and leader is a self-described “bank terrorist.”

- Another recipient of NeighborWorks distributions is Asian Americans for Equality (AAFE), an organization with communist roots and continued close ties to a very vocal North Korean sympathizer. From 2008-2013, AAFE received over \$4 million dollars as a NeighborWorks affiliate.
- Catalist (a data analytics company specializing in progressive causes with \$2.25 million of investment funding from George Soros) and Nonprofit VOTE mobilize these federally funded nonprofits, ostensibly designed to assist with housing and housing education, to get the vote out for those who “tend to be reliably progressive.”

It’s bad enough when “progressives” committed to revolutionary change (even violent revolutionary change) are funded by foundations illegally providing tax-exempt funds; it’s doubly evil when the same revolutionists and their political sponsors in government force the intended victims — the American productive middle class and working poor — to pay for their own demise. We have been paying for America’s socialist “transformational” suicide for more than half a century. It is time to cut the funding — before the transformation is complete and irreversible. Attorney General Sessions deserves thanks for making a good start.

*Photo of Attorney General Jeff Sessions: Shane T. McCoy / US Marshals*

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