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# National Legal and Policy Center

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*“promoting ethics in public life”*



February 4, 2022

VIA OVERNIGHT DELIVERY  
and E-MAIL

Robert W. Ferguson  
Attorney General of Washington  
1125 Washington St SE  
Olympia, WA 98504

Steve Hobbs  
Washington Secretary of State  
Legislative Building  
PO Box 40220  
Olympia, WA 98504-0220  
[secretaryofstate@sos.wa.gov](mailto:secretaryofstate@sos.wa.gov)

**IN RE: COMPLAINT BY THE NATIONAL LEGAL AND POLICY  
CENTER AGAINST BLACK LIVES MATTER GLOBAL NETWORK  
FOUNDATION, INC. FOR VIOLATING WASHINGTON'S  
CHARITABLE SOLICITATIONS ACT AND CONSUMER PROTECTION  
ACT**

Dear Attorney General Ferguson and Secretary Hobbs:

Pursuant to Washington's Charitable Solicitations Act, RCW 19.09 (CSA), the Consumer Protection Act, RCW 19.86 (CPA), and the Closure Notice of January 5, 2022, issued by the Corporations and Charities Division of the Office of the Secretary of State to Black Lives Matter Global Network Foundation, Inc, (BLMGNF) ordering it to "immediately cease" all solicitations of contributions (Exhibit 1), the National Legal and Policy Center (NLPC) hereby files this Complaint requesting that your respective offices undertake enforcement actions against BLMGNF, Registration No. 2005055, for its past and continuing flagrant and violations of CSA, CPA, and the cease and desist letter. Such enforcement actions should include issuing civil investigative demand letters and imposing appropriate fines and penalties as provided by law, including possible criminal penalties.

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 coffers. It has failed to renew its registration and file its financial disclosure report that was due November 30, 2021 in this state and in several other states, including California, Connecticut, Maine, Maryland, New Jersey, New Mexico, North Carolina, and Virginia. 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 Washington 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 in Washington, and is dedicated to promoting ethics in the government, corporate, and nonprofit sectors.<sup>1</sup> To that end, NLPC acts as an ethics watchdog, investigating questionable conduct by individuals and organizations, and where warranted, filing complaints with appropriate 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.<sup>2</sup>

### **BLMGNF'S LACK OF TRANSPARENCY AND VIOLATIONS OF WASHINGTON LAW**

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

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<sup>1</sup> NLPC is a 501(c)(3) nonprofit charity and is duly registered with Washington's Secretary of State and in full compliance with CSA's reporting requirements.

<sup>2</sup> See <https://www.nlpc.org/corporate-integrity-project/>

the affairs of the nonprofit but its IRS Form 990 submitted for calendar year 2019 does not list the name of any director.<sup>3</sup>

In October 2020, it received \$66 million from Thousand Currents, a non-profit 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 renew its registration with Washington's Secretary of State which was due on November 30, 2021, which led to the issuance of the Closure Notice on January 5, 2022 ordering it to "immediately cease" "all solicitations conducted on its behalf" and warning that it faces fines of \$2,000 per violation. 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*.<sup>4</sup>

Even though the Closure Notice to BLMGNF was issued on January 5, 2022, 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:

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<sup>3</sup> Copies of BLMGNF's organizational documents are available at New Mexico's Charity website: <https://secure.nmag.gov/CharitySearch/CharityDetail.aspx?FEIN=82-4862489>

<sup>4</sup> 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 (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>

"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." <sup>5</sup>

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 30, 2021, and further ignore the January 5, 2022 Closure Notice letter for almost a month?

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 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." <sup>6</sup>

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 "actively soliciting" funds. <sup>7</sup> Moreover, the Closure Notice orders BLMGNF not only to "immediately cease" solicitations made directly by the group, but "all solicitations conducted **on its behalf.**" (Emphasis added). That would include using ActBlue as its intermediary to raise donations.

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<sup>5</sup> 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>

<sup>6</sup> 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-charitys-shutdown-claim>

<sup>7</sup> See February 1, 2022 fundraising email from BLMGNF (Exhibit 2) and donation receipt dated February 3, 2022 (Exhibit 3).

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.<sup>8</sup>

#### **THE ATTORNEY GENERAL AND SECRETARY OF STATE MUST TAKE ENFORCEMENT ACTION AGAINST BLMGNF**

As the January 5, 2022 Closure Notice makes clear, failure to renew its registration and continue to solicit and receive donations subjects BLMGNF to fines of \$2,000 per violation and to the enforcement provisions of the Consumer Protection Act, RCW 19.86 in addition to the provisions of the Charitable Solicitations Act, RCW 19.09.

NLPC requests that a full investigation be conducted of BLMGNF by the Attorney General as provided by the provisions of CPA, RCW 19.86.110 and to issue “a civil investigative demand requiring such person to produce such documentary material and permit inspection and copying, to answer in writing written interrogatories, to give oral testimony, or any combination of such demands pertaining to such documentary material or information.”

Besides obtaining copies of its books and bank statements which BLMGNF is required to keep,<sup>9</sup> 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. Indeed, BLMGNF should be required to have an Independent Audit of its finances as is generally required for nonprofits with funds exceeding two million dollars in assets.

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<sup>8</sup> See note 6, *supra*.

<sup>9</sup> CSA RCW 19.09.200 (1) provides: “All entities required to register pursuant to this chapter must maintain accurate, current, and readily available books and records at their usual business locations until at least three years have elapsed following the effective period to which they relate.”

The Attorney General should also invoke the parallel enforcement provisions of the CSA, RCW 19.09.410, which provides in pertinent part:

For the purpose of any investigation or proceeding under this chapter, the attorney general or any officer designated by the attorney general may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the attorney general deems relevant or material to the inquiry.

In case of willful failure on the part of a person to comply with a subpoena lawfully issued by the attorney general or on the refusal of a witness to testify to matters regarding which the witness may be lawfully interrogated, the superior court of a county, on application of the attorney general and after satisfactory evidence of willful disobedience, may compel obedience by proceedings for contempt, as in the case of disobedience of a subpoena issued from the court or a refusal to testify therein.

In addition, NLPC submits that criminal penalties may be appropriate under CSA RCW 19.09.275:

- (1) Any entity who knowingly violates any provision of this chapter or who knowingly gives false or incorrect information to the secretary, attorney general, or county prosecuting attorney in filing statements required by this chapter, whether or not such statement or report is verified is guilty of a gross misdemeanor punishable under chapter [9A.20](#) RCW.
- (2) Any entity who violates any provisions of this chapter or who gives false or incorrect information to the secretary, attorney general, or county prosecuting attorney in filing statements required by this chapter, whether or not such statement or report is verified, is guilty of a misdemeanor punishable under chapter [9A.20](#) RCW.<sup>10</sup>

## 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 and Secretary of State 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

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<sup>10</sup> In addition to the enforcement powers of the Attorney General, the Secretary of State is also authorized to assess civil penalties up to \$1,000 for each violation. CSA RCW 19.09.279(1).

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