MONEY | APR. 4, 2022

Black Lives Matter Secretly Bought a \$6 Million House Allies and critics alike have questioned where the organization's money has gone.

 $By\ Sean\ Campbell$



One Great Story This article was featured in One Great Story, New York's reading recommendation newsletter. Sign up here to get it nightly.

Photo-Illustration: Intelligencer; Photos: Getty



n a sunny day late last spring, three leaders of the <u>Black Lives Matter</u> movement — Patrisse Cullors, Alicia Garza, and Melina Abdullah — sat around a table on the patio of an expensive house in Southern California. The women were recording a

YouTube video to mark the first anniversary of George Floyd's murder, and they discussed their racial-justice work and the difficulties they had faced over the year.

"For me, the hardest moments have been the right-wing-media machine just leveraging literally all its weight against me, against our movement, against BLM the organization," Cullors said. "I'm some weeks out now from a lot of the noise, so I have more perspective, right? While I was in it, I was in survival mode." She was referring to an April 2021 article in the New York *Post* that revealed her purchase of four homes for nearly \$3 million. The disclosures had contributed to the idea that there is a disturbing gap between the fortunes of the movement's most visible figures and on-the-ground activists across the country, and Cullors resigned as executive director of Black Lives Matter Global Network Foundation on May 27, within a few days of the patio chat.

"I think they've *attempted* to cancel us, but they have not been *successful* in canceling us," Abdullah said at <u>another point</u> in the conversation. "They've attempted to say — and I'm just gonna say it — 'She bought some damn houses. We gonna cancel her." Garza cut in with a comment seemingly addressed to critics: "Y'all don't know shit about what it takes to live in a box here."

None of the women acknowledged the house behind them. It's far from a box, with more than 6,500 square feet, more than half a dozen bedrooms and bathrooms, several fireplaces, a soundstage, a pool and bungalow, and parking for more than 20 cars, according to realestate listings. The California property was purchased for nearly \$6 million in cash in October 2020 with money that had been donated to BLMGNF.

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.

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 videos."

In an emailed statement on April 1, Shalomyah Bowers, a BLMGNF board member, said that the organization bought Campus "with the intention for it to serve as housing and studio space for recipients of the Black Joy Creators Fellowship." The fellowship, which "provides recording resources and dedicated space for Black creatives to launch content online and in real life focused on abolition, healing justice, urban agriculture and food justice, pop culture, activism, and politics," was announced the following morning.

Bowers also said in the 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.

Even if everything about the house is above board, the general air of secrecy is out of step with the transparency that is expected of charitable or tax-exempt organizations. The size of the acquisition could expose the group to criticism. "That's a very legitimate critique," says Jacob Harold, a former CEO of GuideStar and the co-founder of Candid, an information service that reports on nonprofits. "It's not a critique that says what you're doing is illegal or even unethical; it might just be unstrategic. Why aren't you spending it on policy or, you know, other strategies that an organization might take to address the core issues around Black Lives Matter?"

Even an appearance of impropriety or mismanagement threatens to deter donors and harm the larger movement for racial equity. On this score, some of the harshest criticism of BLMGNF has come from within. Internal emails dating to 2016 show activists voicing concern about how donations were being spent and how the organization was being run, and frustrations only continued to mount. In the fall of 2020, ten city chapters issued a public statement rebuking the global network for its opacity, and the families of some Black

victims of police violence have complained that they have seen little of the funds that have flowed to the movement's most visible facet.

eorge Floyd's death triggered an outpouring of contributions to BLMGNF, and in October 2020, the organization received an infusion of \$66.5 million from its fiscal sponsor — an intermediary commonly used by fledgling nonprofits to process donations. Two weeks later, a man named Dyane Pascall purchased the seven-bedroom house that would become known as Campus. According to California business-registration documents, Pascall is the financial manager for Janaya and Patrisse Consulting, an LLC run by Cullors and her spouse, Janaya Khan; Pascall is also the chief financial officer for Trap Heals, a nonprofit led by Damon Turner, the father of Cullors's only child.

Within a week, Pascall transferred ownership of the house to an LLC established in Delaware by the law firm Perkins Coie. The maneuver ensured that the ultimate identity of the property's new owner was not disclosed to the public. After the transfer, Black Lives Matter leaders began using the house in various ways, including as a set for recording videos and staying overnight when they didn't feel safe at their own homes. The property's upkeep — cleaning, pool maintenance, security — has been handled by a loose mixture of people working for BLMGNF, Janaya and Patrisse Consulting, the Bowers Consulting Firm, or other entities. Bowers, who also serves as BLMGNF's deputy executive director, has in the past overseen payments to Trap Heals from entities that Cullors leads, including an \$86,000 fee from a nonprofit called Reform LA Jails and a nearly \$150,000 fee from the Black Lives Matter Political Action Committee.

On the secure-messaging platform Signal, in a text chat named "BLM Security Hub," around two dozen participants from BLMGNF, Bowers Consulting, Janaya and Patrisse Consulting, and various other organizations and companies commingle. One conversation from June 2021 — after Cullors announced her resignation — concerns her assistant confronting a man who had been found snooping around the premises. Paul Cullors, Patrisse's brother, whose title is head of physical security, updated the group on the situation. Earlier entries in the Signal chat show him performing the same role for properties Cullors purchased with her own funds, which she has said came from book and media deals. Other internal records indicate Cullors's mother was approved for a cleaning job at Campus and that Cullors's sister signed the same kind of nondisclosure agreement as other employees at the property, although it's not clear if the sister worked there.

Cullors has also used the Campus house in ways that are probably not in line with what Black Lives Matter donors intended for their dollars. Back in April 2021, Cullors uploaded a video to her personal YouTube channel titled "I Try Baking a Family Recipe for the FIRST Time *INTENSE*" — the first in an intended series called *Patrisse Tries*, in which she would attempt unfamiliar tasks. In the nearly 13-minute clip, she prepares a peach cobbler with her aunt at the Campus kitchen island, making use of its soapstone countertops and high-end appliances. (Other videos from Cullors's personal YouTube channel also appear to match images of the house's interior shown in real-estate listings.) It's an example of how Cullors acted as both the head of BLMGNF and cultivated a lucrative public profile at the same time; when she quit the organization, she said it was to focus on media deals she'd signed with a book publisher and Warner Bros. (A lawyer for Cullors declined to comment on the record.)

Nonprofit experts say that any apparent intermingling of resources among BLMGNF, Cullors, and outside entities might jeopardize the charity's tax-exempt status. Lloyd Hitoshi Mayer, a professor at the University of Notre Dame Law School who specializes in nonprofits, said the details of the house's management deserve closer scrutiny. If there are problems with the group's tax filings, there could be civil and criminal liabilities for the people and organizations involved. He said that investigations by state and federal agencies could be warranted. "They're all indicators that the money may not be going where it's supposed to be going," he says.

Other conversations on the BLM Security Hub chat show efforts to monitor social media for negative mentions of BLMGNF, with members using their influence with the platforms to have such remarks removed. It's currently not possible to share the *Post*'s article on Cullors's home purchases on Facebook because the site's parent company, Meta, has labeled the content "abusive." At other points, Bowers and his associates direct a private investigator to look into BLMGNF detractors and journalists, including me.

BLMGNF was awarded tax-exempt status from the IRS in December 2020, two months after the house's purchase. The distinction meant the group would have to disclose information about donors and expenditures in an annual filing known as a 990. But BLMGNF has not submitted those forms for 2020 or 2021. It also has problems at the state level: The Washington *Examiner* reported in February 2022 that California's attorney general told the group it was considered delinquent. BLMGNF has since retained the high-profile Democratic lawyer Marc Elias and maneuvered to get more time to formally submit data from 2020 by switching from calendar-year to fiscal-year tracking. In the meantime,

contributions to the group have been essentially shut down. AmazonSmile suspended the organization from its platform in February 2022, and BLMGNF has removed donation links from its own website.

The group informally released a batch of financial information in February 2021, when it said it had taken in more than \$90 million in 2020 and still had \$60 million on hand. The house was not mentioned. Soon after the report, local activists went public with complaints that they felt unsupported by BLMGNF despite their pleas for help. Two mothers who lost their sons to police violence demanded the organization stop using their names to raise funds.

Real-estate purchases have been a problem for the BLMGNF outside of the U.S. as well. In the summer of 2021, BLM Canada announced that it was purchasing a mansion in Toronto and hoped to establish a Black community hub. Conservative-media outlets later reported that public-property records indicated the transaction involved a transfer of approximately \$6.3 million to a Canadian nonprofit, M4BJ, that was established in part by Janaya Khan, who was born in Toronto. Two BLM Toronto organizers released a resignation letter expressing their frustrations. "We have written this because our many attempts to bring up concerns were met with denial, gaslighting, and a refusal to acknowledge requests for accountability," the organizers said. "We were told that concerns about financial transparency and community accountability were rumours, 'not a big deal,' and whispers from so-called 'counter-organizers."

Tory Russell, a prominent activist in Ferguson, Missouri, said that he felt depressed when he learned about about the California property. "It's a waste of resources," he said. While Black Lives Matter at the national level is flush, he's seen local activists fall into poverty and become homeless. Last year, Russell put out a video with Michael Brown Sr., whose son was killed by a police officer in August 2014, demanding money from BLMGNF to help people living in Ferguson, and he's since been struggling to raise \$1.2 million for a community center. "They shouldn't be walking around no Black people, no Black communities," he said of the organization's leaders. "They should be somewhere in shame."

In the patio video marking the anniversary of George Floyd's death, the conversation among Cullors, Garza, and Abdullah turned to the people who have faulted their leadership online. "Who the fuck are you? You ain't done shit," Abdullah said. Garza added that she discounted criticism from people she didn't know personally. "I don't need to be accountable to you," she said. "I don't know what accountability looks like with people that I

don't know and have never talked to."

Cullors told the women at the table, "My therapist told me, she said, 'What you've been through, most people would not survive' ... And I don't feel like I'm just surviving. I feel like I'm really thriving."

Update: After this article was published, a spokesperson for Khan said in a statement, "Janaya Future Khan has no knowledge of this house and has never had access to the financials of BLM. They have never received payment for any work done for BLM. The Janaya and Patrisse LLC was created and controlled by Patrisse Cullors. Khan was not an officer of the account or officer of the company. Khan separated from Cullors in September 2017 and left BLM shortly after."

RELATED

The Murky Finances of Black Lives Matter

Black Lives Matter: The Story of the First 10 Years

TAGS: BLACK LIVES MATTER POLITICS MONEY ONE GREAT STORY

■ 390 COMMENTS

THE Intelligencer FEED

6:16 P.M. POLITICS

Marjorie Taylor Greene Talked 'Marshall Law' With Trump Chief of Staff

By ED KILGORE

The congresswoman's text to Mark Meadows on January 17, 2021, shows the Capitol riot wasn't the last moment of peril for democracy under Trump.

5:16 P.M. SOCIAL MEDIA

Trump Vows to 'Stay on Truth,' the Twitter Rival He's Yet to Use