

The Reason Obama's Justice Dept. Is Funding Community Organizers

Last year, the most translucent administration in history had struck again, as it was discovered that the Obama's Department of Justice (DOJ) was secretly shaking down Bank of America and CitiGroup to fund third-party activist groups. In response to the Justice Department diverting an unprecedented \$150 million to "housing counseling agencies" on two occasions, Rep. Bob Goodlatte (R-Va.) put forth an amendment in H.R. 2578 () to block this egregious abuse. It passed the House in June and is still awaiting Senate action.

In a letter to then Attorney General Eric Holder in 2014, Rep. Goodlatte, chairman of the Judiciary Committee and Rep. Jeb Hensarling (R-Texas), Chairman of the Financial Services Committee exposed DOJ's misdeed.

"First, the settling banks must donate \$150 million to activist groups like La Raza and Neighbor Works, which funds a national network of community organizers. Second, for each dollar donated above the minimum, banks earn two dollars' worth of credit against their overall consumer relief commitment. By contrast, direct forms of consumer relief, such as loan modifications, earn only dollar-for-dollar credit. This makes donations to activist groups far more attractive to banks than providing direct relief to injured consumers. As a result, the settlements appear to serve as a vehicle for funding activist groups rather than as a means of securing relief for consumers actually harmed."

The letter from Rep. Goodlatte and Rep. Hensarling went further to say that the DOJ did this once before in the slightly smaller \$7 billion settlement with CitiGroup, where

DOJ used the same terms. Depending on how the banks choose to allocate settlement money, it is unclear how much money will fall off the back of a truck and make it to community organizers, but it is certain to be in the hundreds of millions.

The Department of Justice trumpeted their \$ billion haul as "historic." Eric Holder was quoted as saying, "Under the terms of this settlement, the bank has agreed to pay \$7 billion in relief to struggling homeowners, borrowers and communities affected by the bank's conduct." In scandalous hypocrisy, Holder robbed consumers DOJ referred to as "struggling homeowners and borrowers."

With the upcoming battle over funding the government, there is now an opportunity for Congress to ensure this funneling of cash to far-Left interest groups does not happen again. Rick Manning, the president of Americans for Limited Government encouraged Congress to act in a statement, "House Judiciary Chairman Goodlatte's effort to stop President Obama from funneling money from official government legal settlements to his third-party group supporters is the exact kind of forward thinking that Congressional Republican leaders should include in the upcoming government funding bill."

If Congress is ever to restore the trust of their constituents, it must begin by preventing abuses such as these. This case stands as an ugly caricature of Obama's government using its power over banks to harm those they claim to want to help by gaming the system for their political benefit. Congress must act by putting the Goodlatte reform into the Omnibus spending bill to see that the president's political bandits do not raid even more money from the American people.